



## Making energy cleaner, cheaper and more secure

The Australian Government is working to deliver cleaner, cheaper and more secure energy for Australian households and businesses through investment and policy certainty.

The crisis in international fossil fuel markets caused by Russia’s war in Ukraine has exposed Australia’s underinvestment in the cheapest form of energy: firmed renewables.

Australian households and businesses are now paying the price for a decade of denial and delay in which 3GW of dispatchable generation exited the grid.

Rewiring the Nation is the \$20 billion centrepiece of the Powering Australia plan and a key pillar of the 2022–23 Budget. It will provide low-cost finance to upgrade, expand and modernise Australia’s electricity grid and drive down power prices. The Australian Government has already secured agreements with the states to invest in crucial links between Tasmania and the mainland (Marinus Link), and between Victoria and New South Wales (VNI West).

Along with other actions in the Budget, Rewiring the Nation will help ramp up renewable generation, place downward pressure on energy bills, and put Australia on track to becoming a renewable energy superpower.

Investment in reforms to stabilise and improve gas and electricity markets also features in this Budget, as does delivering on the Government’s Community Battery and Solar Banks policies.

The Budget measures include the following investments over 4 years (except where indicated):

- \$20 billion for Rewiring the Nation to deliver low-cost finance to upgrade, expand and modernise Australia’s electricity grid
- \$224.3 million to fund 400 community batteries to lower bills, cut emissions and reduce pressure on the grid
- \$102.2 million to extend access to community-scale solar and rooftop solar to 25,000 low-income households, tenants and residents of unit blocks
- \$157.9 million over 6 years from 2022–23 to help implement the National Energy Transformation Partnership, the first fully integrated national energy and emissions reduction agreement

- \$63.9 million to support energy storage and electricity grid capacity, with a focus on large-scale battery projects
- \$62.6 million over 4 years to support small and medium enterprises to upgrade or replace inefficient technologies to improve energy efficiency
- \$49.5 million over 4 years to increase the security of the domestic diesel exhaust fluid (DEF) market as trucks and other diesel vehicles rely on DEF
- \$22.8 million for the Australian Energy Regulator (AER) to enable it to simplify regulation for the safe, reliable and efficient use of gas pipelines and investment in gas infrastructure, and to allow the AER to undertake additional responsibilities under the Energy Ministers Post-2025 energy market reforms.

Portfolio initiatives in this Budget are essential to delivering the Government’s Powering Australia plan. In total, the 2022–23 Budget invests \$24.9 billion in delivering the Government’s climate change and energy transformation priorities.

## Why is this important and who will benefit?

### Rewiring the Nation

This initiative will invest \$20 billion in providing low-cost finance to upgrade and modernise Australia’s electricity grids, through creation of the Rewiring the Nation Office (RTNO), with the Clean Energy Finance Corporation (CEFC) as the finance arm and the Australian Energy Market Operator (AEMO) as a technical adviser.

In cooperation with states and territories, Rewiring the Nation will fast-track Australia’s renewable energy transformation by delivering key projects to transport power supply from renewable energy zones.

This will help drive power bills down over time. Low-cost Government finance will reduce infrastructure costs and accelerating new transmission projects will help more renewable electricity flow from where it’s abundant to where Australians need it.

Rewiring the Nation will support projects like the Marinus Link, which comprises two under-sea cables connecting Tasmania and Victoria. Marinus will boost expansion of renewable generation and pumped hydro storage and allow Tasmania to make a greater contribution to the National Electricity Market (NEM). This will benefit energy users in mainland states through more affordable energy, while creating 1,400 jobs in Tasmania during construction and 1,400 jobs in Victoria.

Marinus will connect the mainland with Tasmania’s Battery of the Nation projects. They include large-scale hydropower initiatives with the redevelopment of Tarraleah Power Station and Lake Cethana Pumped Hydro, through \$1 billion in low-cost finance.

Similarly, low-cost financing for Tasmania’s North West Transmission Developments will help increase the capacity of the state’s network. By linking Cressy, Burnie, Sheffield, Staverton and Hampshire, the developments will better connect the island and mainland with one of the world’s best wind energy resources in North-West Tasmania.

Victoria's Renewable Energy Zones and offshore wind generation will also be boosted through \$1.5 billion in concessional finance. The dual developments will be fast-tracked to deliver new renewable power for the NEM, drive down power prices, create jobs and support reliability of electricity supply.

A concessional loan of \$750 million will also ensure the Victoria–New South Wales VNI West Kerang Link is completed by 2028. To unlock 4,000 MW of new power generation, the interconnector will support more than 2,000 direct jobs during construction and ensure electricity users are among beneficiaries.

Through these projects, Rewiring the Nation will unlock the next wave of renewable energy development that will support new industries and create jobs, especially in the regions.

## **Community batteries for household solar**

This initiative will support deployment of 400 community batteries across Australia to lower power bills, cut emissions and ease pressure on the grid.

The batteries will enable households with solar installations to store excess energy generated during the day for use in the evening when it's most needed or share it with other households.

As well as helping save on energy bills, this initiative will enable more rooftop solar to be installed and better used where technical limits in the electricity network prevent new installations or solar exports.

## **Solar Banks**

Just 1 in 4 households currently benefits from rooftop solar.

The Community Solar Banks program will support deployment of community-scale solar for 25,000 households unable to access it.

This will ensure low-income households and people who live in apartments and rental properties are not left behind in the transition to a clean energy system.

## **Support for Energy Security and Reliability**

Investments in energy security and reliability, including the National Energy Transformation Partnership, will align actions by the Commonwealth and state and territory governments to speed up the transformation of Australia's energy system to net zero.

The Partnership is prioritising reforms crucial to the energy transformation, including accelerating transmission, improving planning for generation and storage, and coordinating gas and electricity planning. In particular, priority reforms will be introduced to support a more secure, resilient and flexible East Coast gas market, as agreed by Energy Ministers earlier this year.

Under this joint approach, the Australian Government is investing \$157.9 million over 6 years to implement measures that will ensure reliable and affordable energy and maximise economic opportunities in the clean energy transformation. For example, developing Australia's first National Energy Performance Strategy will prevent energy wastage, improve energy affordability and reliability, and help meet Australia's emissions reduction targets.

Funding of \$5.5 million will be allocated to co-designing the First Nations Clean Energy Strategy with First Nations communities, which have diverse and unique interests in the energy transformation. The Strategy will provide a path for First Nations Australians to have a greater say in the priorities of the Partnership.

### **Accelerating firming and storage capacity**

The investment in large-scale battery projects will provide storage capacity and help firm up electricity grids, deliver greater energy security as traditional electricity generators close. This is a re-direction of funding from the Underwriting New Generation Investments (UNGI) program. This investment in dispatchable storage and accelerating grid firming will help deliver cleaner, cheaper and more secure energy to Australian households and businesses.

### **Energy Efficiency Grants for Small and Medium Businesses**

The Powering Australia election commitment includes direct financial support to help small and medium businesses adopt measures that improve energy efficiency.

This will promote the uptake of new technologies, such as industrial heat pumps in energy intensive businesses, to improve energy affordability and productivity, benefitting the wider economy and lowering carbon emissions.

### **Australian Energy Regulator: Implementing Gas Pipeline Regulatory Changes and overseeing energy market reforms**

This measure will enable the Australian Energy Regulator (AER) to oversee gas pipeline regulatory reforms that will support the safe and efficient use of gas pipelines and investment in this critical infrastructure.

The reforms will limit the market power of pipeline service providers and facilitate fairer access to pipeline infrastructure, resulting in significant economy-wide benefits.

Extra funding will also allow the AER to undertake additional responsibilities under the Energy Ministers Post-2025 energy market reforms, including market monitoring and enforcing new consumer energy resources standards.

### **First Nations Community Microgrids**

Electricity supply in many First Nations communities is provided by diesel generators. These generators are expensive to run, can be unreliable and are at risk of fuel supply constraints.

The Budget will see the development and deployment of First Nations Community Microgrid projects in Aboriginal and Torres Strait Islander communities. Remote communities will benefit from improved reliability, affordability and security of energy supply.

The Government is also providing new funding through this Budget to work with First Nations Australians to [reduce the impacts of climate change](#).

## Diesel Exhaust Fluid Market Security

This measure will support the transport sector by stockpiling Diesel Exhaust Fluid (DEF) and building the capacity of Australian industry to manufacture it.

DEF is critical to the operation of trucking and other diesel vehicles, lowering noxious emissions harmful to people and the environment.

The investment will make the Australian transport sector more resilient, with an emergency stockpile of Technical Grade Urea (TGU), a critical component of DEF.

Introduction of voluntary diesel exhaust fluid reporting – for greater market transparency – and a grants program to support local TGU production are also funded.

## How much are we investing?

	Amount
Powering Australia – Rewiring the Nation	\$20 billion in financing
Powering Australia – community batteries for household solar	\$224.3m over 4 years from 2022–23
Powering Australia – Solar Banks	\$102.2m over 4 years from 2022–23
Support for Energy Security and Reliability	\$157.9m over 6 years from 2022–23 (\$1.1m per year ongoing)
First Nations Clean Energy Strategy	\$5.5m over 3 years from 2022–23
Gas Market Security and Reliability	\$23.0m over 3 years from 2022–23
National Energy Performance Strategy	\$15.2m over 4 years from 2022–23
Accelerating Firming and Storage Capacity	\$63.9 million over 4 years from 2022–23
Energy Efficiency Grants for Small and Medium Businesses	\$62.6m over 4 years from 2022–23
AER: Implementing Gas Pipeline Regulatory Changes	\$14.3m over 4 years from 2022–23 (\$3.2m per year ongoing)
AER: Energy Ministers Post-2025 Reforms	\$8.5m over 4 years from 2022–23 (\$1.9m per year ongoing)
First Nations Community Microgrids Program	\$83.8 million over 4 years from 2022–23
Diesel Exhaust Fluid (DEF) market support	\$49.5m over 4 years from 2022–23

Learn more about [Energy policy in Australia](#).

### Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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