

## Energy Transition Roadmap needed for Uncertain Future

The South Australian Chamber of Mines and Energy (SACOME) calculates that industry has incurred over \$1 billion in energy market intervention and transition costs since 2018.

While the State continues to be at the forefront of the transition to renewable energy, it comes at significant expense to South Australia’s commercial and industrial sector.

Industrial customers are bearing the cost of National Electricity Market interventions and State Government initiatives.

While Project EnergyConnect will address a range of system stability issues, it is scheduled for completion in July 2025, leaving industry with at least another three years of intervention measures.

A policy bridge is needed if industry is to avoid another \$1 billion in energy transition costs over those next three years.

SACOME has calculated these energy transition costs below:

Intervention	Cost (millions)
<b>National Electricity Market (NEM) Interventions</b>	
Frequency Control Ancillary Services (FCAS)	\$183.4m
System Security Directions	\$183m
<b>State Government NEM Interventions</b>	
Electricity (General)(Technical Standards) Variation Regulations 2021	\$50.1m
<b>State Government Initiatives</b>	
Home Battery Scheme	\$218m
Retailer Energy Productivity Scheme (REPS)	\$82m
Project EnergyConnect (underwriting)	\$75m
Grid Scale Storage Fund	\$50m
Trial Demand Management Program	\$11m
<b>Other Grid Investments</b>	
ElectraNet Synchronous Condensers	\$190m
<b>Total Cost</b>	<b>\$1,042.5m</b>

SACOME is calling for the establishment of a South Australian Energy Advisory Board with representation from industry, government and regulatory bodies to prepare a South Australian Energy Transition Roadmap.



SACOME Chief Executive, Rebecca Knol said: “We are in the midst of a historic energy transition. We need to re-engineer our electricity grid to accommodate renewables, and we also need to decarbonise our economy while preserving and growing the State’s industrial base.

“The significant reduction in wholesale electricity costs in 2021/22 is welcome, however, this is only part of the actual operational electricity cost for heavy industry in South Australia”.

“We cannot continue to operate in an environment where decisions are made without full consultation; where emergency solutions are implemented at short notice; and where the associated costs are passed through to industrial users”.

SACOME recognises that managing the energy transition process is exceptionally difficult.

“We need a shared approach to problem solving with the best minds at the table”.

“An Energy Advisory Board providing input to an Energy Transition Roadmap provides a vehicle for consultation and the road to drive it on.”

“Policy makers need to expand their perception of energy transition from an engineering and systems management process to one that considers the costs across the whole economy.”

“If we are to meaningfully plan for the future, we must keep all of our options open.”

Solar and wind will require further time to be integrated into our energy network, as will hydrogen. This will require major investment in transitional infrastructure. Those future costs must be made equitable. Nuclear energy must remain on the table, as must the means of offsetting oil and gas.

“The end goal should be to transition to a net-zero emissions future while making the cost of the transition equitable.”

SACOME’s enduring policy position is that all technologies capable of helping to achieve this goal should be part of the energy transition roadmap.

SACOME has prepared a policy white paper setting out detailed analysis of the energy transition process from 2002 to 2022 and its impacts on the South Australian resources sector, available [here](#).

View SACOME’s Opinion Piece on the Energy Transition Roadmap [here](#).

View SACOME’s Resources Sector 2022 Election dedicated webpage [here](#).

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## **About SACOME**

The South Australian Chamber of Mines and Energy is the peak industry association representing companies with interests and connections to the South Australian resources and energy sector.

**South Australian Chamber of Mines & Energy**

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