**Submission to Independent Planning Committee re Santos’ Narrabri Gas Project**

**Personal Background - Credentials:**

Thank you for the opportunity to provide input on this important issue. My background includes having been NSW State Librarian, Director General of State and Regional Development for NSW, Deputy Vice Chancellor of Monash University, and a non-executive director on the boards of seventeen organisations in both private and public sectors. I have been recognised as Australian Business Woman of the Year (‘92) and Australian Business leader of the Year (Professions) (‘91), and honoured with an AO for Services to public administration, and a Centennial Medal for services to business. I mention these only for credibility since I do not live in the Narrabri area. More recently, I have been the founding Chairperson of Enova Community Energy, and that role provides direct insights and experience relevant to the Narrabri Gas project.

**Overarching Reasons for Rejection:**

There are many reasons to reject this project: the complete failure to address the massive use of water entailed in CSG mining, with potential for damage to the Great Artesian Basin, the Gunnedah Oxley Basin, and other groundwater in the area; the certainty of damage and destruction to the vitally important Pilliga, our largest remaining temperate woodland in Eastern Australia, with subsequent impacts on regional biodiversity; the creation of ongoing fugitive emissions of methane, in addition to the greenhouse gases intentionally produced by the field; the encroachment on good farming land and disruption of other land uses and industries; the unacceptable social and environmental impacts on the Narrabri population, particularly lower socio-economic groups, as evidenced in the Qld gas field experience; and last but by no means least, the impact on Gomeroi land and heritage.

**Precautionary Principle and Lack of Social Licence**

The Department’s Assessment Report acknowledges and examines these risks and threats. It then outlines a comprehensive and complex set of conditions which if carefully adhered to by all parties are considered suitable, by the Department, to manage the risks. The major problem, as we all know, is that humans are fallible and, in some cases, corruptible. Errors and mishaps will occur. The consequences are obvious in the case of CSG mining in America, Qld and even NSW - with many of them even documented in the report. “Oops, sorry”, after the event really is not sufficient as we have seen recently, in relation to cultural heritage in the Northern Territory. And we are all currently living with the consequences of human fallibility in the health field.

In short, the precautionary principle should be applied. But it, together with a demonstrated failure to have a social licence (over 60% of local submissions were against the project), has been set aside on the basis that NSW “needs” the gas, and that it will bring great economic benefits to both NSW and the region.

**Case against the “Need” for Gas:**

 I wish to argue that in fact the project is not necessary: other better and non-risky solutions are available to meet energy needs and address economic development at both State and regional levels.

**Self-sustaining economically strong regions**

The Australian Energy Market Operator (AEMO) has itself declared 35 regional energy development zones across the National Energy Market (NEM) which have the greatest potential for the development of large-scale renewables. Narrabri - or the North West region is one of these. The NSW government has recently announced work on the first two of these in NSW – New England (NE) to the east and Central West to the south. We are told that the NE REZ is expected to generate around $12.7 billion in private sector investment, provide around 2000 construction jobs for a decade, and create around 1,300 ongoing jobs. The Central West Orana zone, announced in June, has surprised the government by already attracting expressions of interest in building new projects with a possible $38 billion in private sector investment. This is nine times the target initially expected by government. By comparison, the Narrabri gas field project is expected to have capital investment of $3.6 billion, create 1300 jobs during construction, and 200 ongoing jobs.

 A recent McKinsey study also points out that a net zero carbon economic recovery would create 5 times more employment than spending the same amount on fossil fuel developments. The study recently released by Helen Haines, Federal Member for Indi “*Unlocking Community Energy*” documents that private sector investment in renewables also has flows through to councils and communities in exactly the same way as is claimed will occur for the Narrabri Gas project. In other words, the NSW government itself has recognised the capacity for the rapid shift to renewables in NSW regions, and the projected economic benefits outweigh the projected benefits from the Narrabri gas field. A Narrabri/North West renewable region would be of more benefit to all.

**Importance of Community/Local Scale Development**

These are large scale developments but at Enova we believe that it is also vital to unlock the potential of community energy to ensure maximum benefit to regional Australia. Currently our highly centralised energy system results in hundreds of millions of dollars leaving regions on people’s power bills – in the case of the Northern Rivers – over $380 million dollars. That is replicated for every region of approx. 130,000 households. The Narrabri Gas project represents the continuation of such centralised approaches to energy.

Already some 60% of our customers at Enova have rooftop solar arrays. Self -sustaining regions are created by adding energy efficiency and demand management to rapidly increasing distributed energy resources including storage, using software platforms to enable grid integration of households and their cars, and to manage the financial transactions enabling residential generators of electricity to market their energy into an open, competitive market. An Australia in which regional economies can operate in this way needs local solutions, combined with grid-scale solutions.

Self-sustaining regions - where streets and small towns share solar arrays and storage; where embedded networks, microgrids and virtual power plants operate; where local investors own community generation assets; where hospitals, airports and local industry are served by local generation such as pumped hydro, solar, wind, or bioenergy – such regions offer more energy security, greater resilience in the face of natural disasters, and create stronger local economies with more long term jobs.

**Enova Demonstrates What is Possible:**

Enova Community Energy grew out of the successful movement by Northern Rivers Region (NSW) communities to oppose the development of coal seam gas mining at Bentley. Over 4,000 people – land owners, community members, including indigenous community and activists peacefully came together at Bentley to oppose this coal seam gas mining. After the community successfully made its point that there was no social licence (also clearly the case here), we recognised that we must demonstrate that in a country of plentiful sunlight and wind no new fossil fuel projects were needed. After winning a tender - let by regional local governments and the TEC, and funded by the NSW government - for a study into the feasibility of a community owned retailer, a small group of us carried out the feasibility study; developed a business plan; obtained our retail licence (covering the National Electricity Market); and raised $4million in funds. 70% was from small shareholders in the northern rivers and the remainder from the rest of NSW and every other state and territory in Australia, because of the interest in our business model.

**Enova Enables other Self-Sustaining Communities:**

Enova’s purpose is to build self-sustaining and resilient communities through locally generated and shared renewable energy; to assist them to transition to renewable energy without leaving anyone behind; to keep jobs and profits in local communities; and to reduce carbon emissions. Our social enterprise model is embedded in our constitution, and we undertake to return 50% of profits to the communities of our customers. Our aim is to ensure monies from both the generation and retail ends of the energy supply chain stay circulating in communities.

 Four years on, Enova has some 8,800 customers and are operating across NSW, with expansion into SE Queensland scheduled for 2021. Our first pilot microgrid is underway; phase one of our first Virtual Power Plant has been initiated; we have secured funding and will soon be going to tender for our first grid scale battery project which will also permit us to trial peer to peer trading; and our first social access solar garden is operational. We employ some 30 staff in the Northern Rivers and purchase supplies and services locally. We stand ready to assist the community in the Narrabri region to become self-sustaining, and are already in discussion with one Narrabri community group.

**Narrabri’s Opportunity to be a Self-Sustaining Community:**

As one of AEMO’s designated renewable zones, now is an opportune time for the Narrabri communities to start mobilising to ensure maximum local control and assist in driving zone development. A gas field is simply unnecessary to meet regional needs for energy or economic development.

**State Level:**

The latest CSIRO-AEMO Gencost (2019-20) Report shows that wind and solar costs remain the lowest cost forms of generation available – now and into the future. Further, AEMO’s own Renewable Integration Study demonstrates that to maximise consumer benefits at the lowest system cost, while meeting reliability, security, and emissions expectations, the National Energy Market’s future features large increases in renewable generation. Utility scale wind and solar connected to the grid plus distributed solar photovoltaics (DPV) installed by households and businesses - with dispatchable generators, large-scale and distributed energy storage, and demand side participation - represents the future.

AEMO states that with appropriate technical and regulatory action, the energy market could be operated securely with up to 75% instantaneous penetration of wind and solar by 2025, while beyond 2025, they have not identified any insurmountable reasons why the NEM cannot operate securely at even higher levels especially with ongoing technological advancement worldwide. When we add to that developments in thermal solar, pumped hydro, green bio-energy, plus hydrogen, which is already making significant headway in countries such as Germany, we can see that there is little need to attempt to increase a gas supply which we know is counterproductive for the environment. The goal will be the progressive phasing out of existing gas to meet climate targets.

By enabling the renewable energy zones to be developed, and partnering that with self-sustaining communities (within cities as well as regions), we not only meet all domestic needs for energy, despite energy demands increasing (with population) over time, we also enable households to share in the benefits. Such a move frees up existing gas supplies to be available for industry if it is indeed really “needed” in the face of the rapid shift by large parts of the commercial and industrial sector to renewables.

AEMO projections for gas consumption in the short and medium term under a range of scenarios (AEMO 2020 Gas Statement of Opportunities -GSOO) were declining prior to COVID-19, and we now know that COVID -19 is impacting significantly on export markets as well as the local economy. Existing Australian gas supplies are likely to be available for Australian industry during the recovery. And it is surely not beyond government capacity to require that if necessary. AEMO also points out that its 2021 GSOO will include a scenario reflecting a possible future where there is significant penetration of hydrogen into Australia’s energy systems, and provide an assessment of potential long-term impacts of hydrogen on the gas industry.

Again, the conclusion to be drawn is that other options are possible. They are clearly desirable. The social licence is lacking, the risks in the face of human fallibility, are unacceptable. The project should not proceed.

Alison Crook AO

28.7.20