

# FCC Meeting 3 - Actions

Please note that the information presented in this document was developed based on the draft FY24 budget which remains subject to final review.

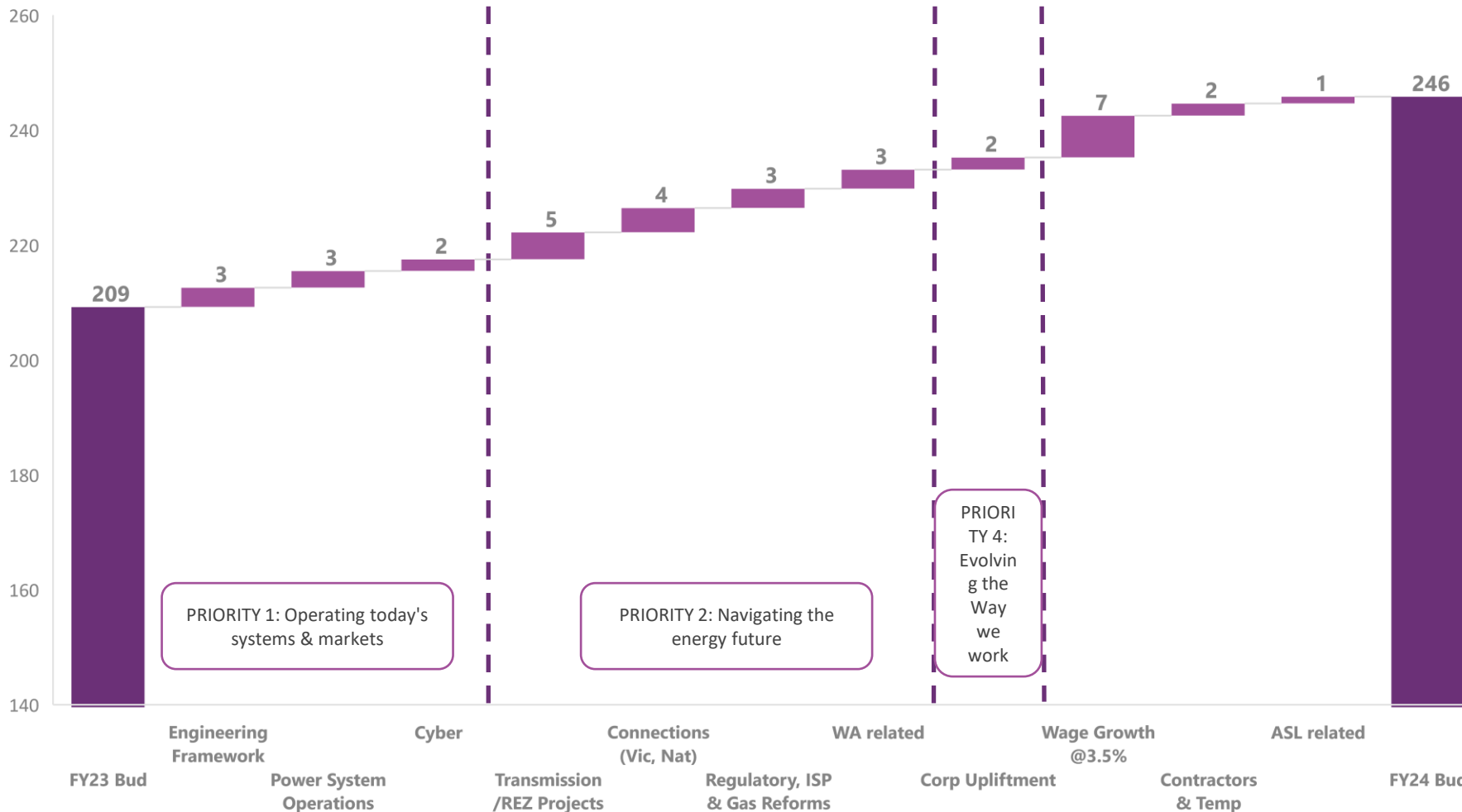
26 April 2023



# Action 3.1: Provide a waterfall of increase in labour expenditure and alignment to Strategic Outcomes



Estimated incremental labour expenditure by driver, \$m



**Notes:**

Key increases are primarily from wage growth @3.5%, Engineering Framework to 100% renewables, transmission project related costs, increased connection activity and regulatory requirements within NEM, WEM and Gas.

In most cases, the incremental costs are aligned to strategic outcomes and have a new or discrete funding pathway.

Note: The information has been presented to allocate movements into the appropriate categories, however there is an element of judgement involved in this process, including the interaction between different categories

## Action 3.2: Preparing for 100% renewables *at times* by 2025



- The 2022 [Integrated System Plan](#) outlines the Step Change scenario as the one considered by energy industry stakeholders to be the most likely scenario to play out. The step change scenario anticipates that by 2025, there will be enough potential renewable resources to meet 100% of grid demand, for a small number of dispatch periods.
- This projection is not based on all fossil fuel generators exiting the market. There are many reasons why fossil fuel generators may not be online or available to generate into the system in a given half-hour, including economic dispatch, forced outage, mothballing and decommitment.
- AEMO's [Engineering Roadmap](#) provides a clear view of the engineering and operational readiness steps required to prepare for operation at 100% renewables.
- The roadmap outlines more than 150 actions (with many additional subcomponents) across three categories to achieve 100% renewables, to be completed by AEMO, transmission network providers, distributors, equipment manufacturers, market bodies and government instrumentalities, and consumers actively participating.
- AEMO is progressing the work we need to ensure we are not an impediment to the market achieving 100% renewables by this date but many other factors will determine whether 100% renewables is achieved by 2025, as market stakeholders have predicted.