



**AGL Energy Limited**

**T** 02 9921 2999

**F** 02 9921 2552

**agl.com.au**

ABN: 74 115 061 375

Level 24, 200 George St

Sydney NSW 2000

Locked Bag 1837

St Leonards NSW 2065

Australian Government

Australian Renewable Energy Agency

**Submitted via email: [solarsunshot@arena.gov.au](mailto:solarsunshot@arena.gov.au)**

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## **AGL response to the Solar Sunshot consultation paper**

AGL Energy (AGL) welcomes the opportunity to make a submission in response to the Solar Sunshot consultation paper (Consultation Paper).

Proudly Australian since 1837, AGL delivers around 4.3 million gas, electricity, and telecommunications services to our residential, small, and large business, and wholesale customers across Australia. We operate Australia's largest electricity generation portfolio and have the largest renewables and storage portfolio of any ASX-listed company, having invested \$4.8 billion in renewable and firming generation over the past 20 years and added more than 2,350 MW of new generation capacity to the grid since 2003.

In September 2022, AGL released its inaugural [Climate Transition Action Plan](#) (CTAP) under the Say On Climate initiative, which states AGL's updated ambition for decarbonisation, including the following commitments:

- Targeting a full exit from coal-fired generation by the end of FY35 (up to a decade earlier than previously announced).
- Ambition to meet customer energy demand with around 12 GW of new firming and renewable assets by 2036.
- An initial target of 5 GW new firming and renewables by 2030.

AGL has also committed to repurposing its large thermal generation sites into low carbon industrial energy hubs, and recently announced a partnership with SunDrive to explore solar panel manufacturing at its Hunter Energy Hub.<sup>1</sup>

## **Inclusion of solar panel recycling in scope for Round 1**

*Question 2.1: Do you agree with the proposed Funding Round approach that proposes to launch Round 1 as module manufacturing, allowing greater time for project and market development for supply chain stages beyond modules?*

Based on our conversations with industry, we would recommend the inclusion of solar recycling in Round 1 for the following reasons:

- *Growth of existing industry:* a domestic solar recycling industry exists due to regulation (e.g. Victorian Government's ban on disposal of solar panels in landfill) and existing market demand, with several emerging domestic players looking to increase the size and scale of their production facilities.
- *Rising demand:* AEMO forecasts in its Draft 2024 ISP significant growth of new and replacement solar PV installations over the next 5-10 years. Findings published by the Australian Centre for Advanced

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<sup>1</sup> See: AGL's [media release on SunDrive partnership](#).



Photovoltaics project the volume of panels removed from use will soar over the coming decade, forecasting 50,872 tonnes of solar waste in 2024 nationally, surging to 91,165 tonnes by 2035<sup>2</sup>.

- *Future round uncertainty:* Due to uncertainty regarding the timing and funding allocation for Round 2, there is a risk that expansion of the recycling industry is delayed and cannot meet rising demand.

Additionally, we would recommend consideration is given to accelerating the roll-out of Round 2 funding to enable the potential for integrated end-to-end manufacturing facilities, or multi-stage facilities, to be established. There are a number of global examples (i.e. QCells facility in Georgia) where cost savings are achieved through establishing an end-to-end supply chain at a single factory.

### Timing and form of funding

*Question 4.1: Where (across the supply chain) can production-linked payments be used to best deliver the Program Objectives and where would capital grants be more suitable?*

- *Inclusion of capital grants:* We would recommend that the program retains flexibility to offer support either through production linked credits or capital grants. Capital grants are more suitable where a project faces an initial large capital hurdle that once overcome the business can run profitably without ongoing financial support in the way of production linked credits.
- *Timing of production credits:* We would recommend reconsidering the support period timeline under the proposed production credit design to ensure that facilities that are production ready prior to FY2026-27 are eligible for immediate support, either through backdating credits or bringing forward the support period commencement timeline.

### Land access and reporting requirements

*Question 8.1: Please provide any feedback on the proposed assessment process.*

- *Site and financial feasibility:* The requirement for a site to be secured as part of the Round 1 Full Application may impose challenges on applicants. We understand that for some applicants, there will be a reliance on securing Solar Sunshot funding to enable financial viability of their projects. An option over land access, which may be non-exclusive, may be more appropriate, providing flexibility to a wider range of projects.
- *Reporting requirements:* Due to the small-scale nature of a number of potential applicants and potential resource constraints, we recommend that consideration be given to application and ongoing reporting requirements under the Solar Sunshot program and streamline these where possible to reduce burden on project proponents.
- *Prioritisation of Australian owned products:* Higher consideration in the assessment criteria should be given to Australian-owned innovative designs or foreign companies partnering with Australian-owned entities, enabling scalability of novel designs.

We look forward to further engagement and discussion on the Solar Sunshot Program's evolution. Should you have any questions in relation to this submission, please contact Casey Barkla-Jones at [cbarkla@agl.com.au](mailto:cbarkla@agl.com.au).

Yours sincerely,

**AGL Energy**

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<sup>2</sup> See: Australian Centre for Advanced Photovoltaics [Scoping Study Solar Panel End-of-life Management in Australia](#)