s22

From:s22@toyota.com.au>Sent:Thursday, 17 September 2020 10:55 AMTo:s22Subject:RE: ANNOUNCEMENT - \$1.9bn investment in new energy technologies
[SEC=OFFICIAL]

PROTECTED

Hi s22

Thanks so much for sending this to us. The Future Fuels Fund is a great initiative and we look forward to working closely with Fund, especially in regards to refuelling infrastructure. I will share it with our hydrogen team and ask for any comments they may have. Kind regards,

s22

Senior External Affairs Specialist Corporate Strategy **Toyota Australia** 155 Bertie Street, Port Melbourne, VIC 3207 Ms22

E s22

@toyota.com.au W www.toyota.com.au



From: \$22

Sent: Thursday, 17 September 2020 9:23 AM

To:s22

Subject: ANNOUNCEMENT - \$1.9bn investment in new energy technologies [SEC=OFFICIAL]

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His22

Hope you're both doing as well as possible during Melbourne's lock down.

Just wanted to give you a heads up about an announcement for today that will see \$1.9 billion invested in new energy technologies (I've attached the soon-to-be-released media release).

Along with reinvesting an additional \$1.62 billion in ARENA, there are two main elements that focus directly on transport and hydrogen: a competitive process to establish a regional hydrogen export hub, and the new Future Fuels Fund. The Future Fuels Fund will cover EVs, fuel cell vehicles and biofuel technologies and will be a grants, co-investment program run through ARENA. The Fund will focus on assisting businesses who want to upgrade to new technologies for fleets (for example: upgrading to three phase power onsite) and to co-fund charging or refuelling infrastructure in regional 'blackspot' areas.

Expanding the mandate of ARENA and the CEFC will be essential to the success of the uptake of new technologies in the transport sector, and especially for driving down the cost of hydrogen.

Let me know if you have any questions – more than happy to discuss.

Any supportive statements you are able to make on today's release would be greatly appreciated. Kind regards

s22

Office of the Minister for Industry, Energy and Emissions Reduction Released under the FOI Act Adviser | Office of the Hon Angus Taylor MP

Minister for Energy and Emissions Reduction

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s22

From:	s22 @toyota.com.au>
Sent:	Friday, 5 February 2021 10:00 AM
То:	s22
Subject:	RE: Under embargo - Future Fuels Discussion Paper [SEC=OFFICIAL]

Hi s22

PROTECTED

Thanks for your email and sending the summary through.

It's great that a range of technologies are being considered and that hybrid has been included given its immediate capacity to lower emissions.

We will go through the document and provide feedback.

Kind regards,

s22

From:s22

Sent: Thursday, 4 February 2021 9:10 PM

To: s22

Subject: Under embargo - Future Fuels Discussion Paper [SEC=OFFICIAL]

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His22

I wanted to let you know that tomorrow, the Minister will release the Australian Government's Future Fuels Strategy: Discussion Paper.

I have attached a summary of the paper for you in advance.

The paper sets out the direction and practical actions that will enable the private sector to commercially deploy future fuel technologies at scale. The Government is committed to enabling consumer choice for new vehicle and fuel technologies. We are backing a range of technologies, not picking one winner. This includes new conventional, hybrid, bio-fuelled, battery electric and hydrogen fuel cell electric vehicles.

The Government is seeking feedback on this paper, which will help to:

- shape the final Future Fuels Strategy
- influence the design and rollout of the Government's investment programs; and
- inform the priorities for the Commonwealth's work with state and territory energy ministers, where coordination is needed to best integrate electric vehicles into the electricity grid.

Submissions are open until COB Friday 2 April 2021.

We have been able to draw references from Toyota's significant experience in the Australian market in the paper and thank you for your involvement in previous consultations with the Department. Of course, we would welcome any supportive comments and look forward for you being involved in the feedback process. Happy to discuss.

Kind regards

s22

Adviser | Office of the Hon Angus Taylor MP Minister for Energy and Emissions Reduction a: Parliament House, Canberra, ACT 2600 t: s22 | m:s22 | e:s22

@energy.gov.au OFFICIAL

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Future Fuels Strategy: Discussion Paper

This Future Fuels Strategy: Discussion Paper sets out the Australian Government's direction and practical actions that will enable the private sector to commercially deploy future fuel technologies at scale.

UNDER EMBARGO

The Government is seeking feedback on this paper, which will help to:

- 1. shape the final Future Fuels Strategy
- 2. influence the design and rollout of the Government's investment programs; and
- 3. inform the priorities for the Commonwealth's work with state and territory energy ministers, where coordination is needed to best integrate electric vehicles into the electricity grid.

Submissions can be received until COB Friday 2 April 2021.

The Government is committed to enabling consumer choice for new vehicle and fuel technologies. We are backing a range of technologies, not picking one winner. This includes conventional, hybrid, bio-fuelled, battery electric and hydrogen fuel cell vehicles.

The Government's first focus to support future fuels will be on the areas where current trends in consumer choice can be supported (such as hybrids), and on sectors that can derive the most benefit from adopting new technologies first (such as fleets).

These actions will be guided by the Strategy's three principles and five priority initiatives (see Figure 1 below for a summary).

Australians are already choosing hybrids

Australians are already making the choice to switch to new technologies such as hybrids. This is because it makes economic sense for many motorists to do so, with the total cost of ownership (TCO) (total cost of a car over its life) gap having already closed for light fleet vehicles and being small for private cars. Hybrid sales almost doubled in the last year, increasing from 31,191 vehicles in 2019 to 60,417 vehicles in 2020. This trend will also be seen for other new vehicle technologies as the TCO gap closes.

Fleets first approach

TCO is the primary consideration for fleet managers when purchasing new vehicles. After hybrids, battery electric vehicles are likely to become cost competitive for fleets in the coming years. This is because of the reduced fuelling and maintenance costs compared to conventional vehicles.

The Strategy will have an early focus on fleets as they are an effective pathway for adoption of new vehicle technologies, with lower costs of abatement while making up a significant proportion of new vehicle sales. In 2020, 40% of light vehicles in Australia were sold to businesses.

Abatement and subsides

The discussion paper shows that closing the TCO gap between internal combustion engine vehicles and electric vehicles through subsides is **not** value-for-money for taxpayers and is an expensive form of abatement. Depending on the vehicle type and use, this would cost up to \$747 per tonne of carbon dioxide equivalent, or up to around \$8,000 over the life of a vehicle. Fleets is where this gap will close first, and the gap is not significant for hybrids.

UNDER EMBARGO





THE HON SCOTT MORRISON MP PRIME MINISTER

THE HON ANGUS TAYLOR MP MINISTER FOR ENERGY AND EMISSIONS REDUCTION

MEDIA RELEASE

Thursday, 17 September 2020

INVESTMENT IN NEW ENERGY TECHNOLOGIES

The Morrison Government is investing in new and emerging technologies that will support jobs, strengthen our economy and reduce emissions.

Prime Minister Scott Morrison said the \$1.9 billion investment package in future technologies to lower emissions would back jobs now and into the future, cut costs for households and improve the reliability of our energy supply.

The Prime Minister said the Government is supporting the next generation of energy technologies with an extra \$1.62 billion for the Australian Renewable Energy Agency (ARENA) to invest, as well as expanding the focus of ARENA and the Clean Energy Finance Corporation (CEFC) to back new technologies that will cut emissions in agriculture, manufacturing, industry and transport.

"Our JobMaker plan is about protecting and creating the jobs of today and positioning Australia for the jobs of the future, which is why our investment in new technologies is so crucial," the Prime Minister said.

"Australia is in the midst of a world-leading boom in renewable energy with over \$30 billion invested since 2017. Solar panels and wind farms are now clearly commercially viable and have graduated from the need for government subsidies and the market has stepped up to invest.

"The Government will now focus its efforts on the next challenge: unlocking new technologies across the economy to help drive down costs, create jobs, improve

reliability and reduce emissions. This will support our traditional industries – manufacturing, agriculture, transport – while positioning our economy for the future.

"These investments create jobs and they bring new technologies into play. This will not only cut emissions, but deliver the reliable energy Australia needs while driving down prices for homes and businesses."

The new package also invests in a range of promising low-emissions, reliable new technology advancements including:

- Supporting businesses in the agriculture, manufacturing, industrial and transport sectors to adopt technologies that increase productivity and reduce emissions through a new \$95.4 million Technology Co-Investment Fund that was recommended by the King Review
- Piloting carbon capture projects that will dramatically help cut emissions with a \$50 million investment Carbon Capture Use and Storage Development Fund
- Helping businesses and regional communities take advantage of opportunities offered by hydrogen, electric, and bio-fuelled vehicles with a new \$74.5 million Future Fuels Fund
- Setting up a hydrogen export hub worth \$70.2 million to scale-up demand and take advantage of the advancements in this low emissions, high powered source of energy
- Backing new microgrids in regional and remote communities to deliver affordable, reliable power with \$67 million
- Contributing \$52.2 million to increase the energy productivity of homes and businesses, including a sector specific grant program for hotels supporting equipment and facilities upgrades
- Slashing the time taken to develop new Emissions Reduction Fund (ERF) methods from 24 months or more to less than 12 months, involving industry in a co-design process and implementing other recommendations from the King Review into the ERF, worth \$24.6 million
- Boosting energy and emissions data and cyber-security reporting and supporting the delivery of future Low Emissions Technology Statements under the Technology Investment Roadmap process, as well as developing an offshore clean energy project development framework, together worth \$40.2 million

Minister for Energy and Emissions Reduction Angus Taylor said getting the next generation of energy technologies right would not only help to keep prices low and the lights on, but would importantly grow jobs, strengthen the economy and reduce emissions.

"We will reduce the cost of new and emerging technologies, not raise the cost of existing technologies or layer in new costs to consumers and businesses through mandated targets or subsidies," Minister Taylor said.

"The Government recognises the strong growth in emerging energy technologies that will play a role in Australia's energy mix into the future. We need to get the balance right and our investment to re-energise ARENA will deliver that.

"ARENA has played an important role in this growth, and as the cost of renewable technologies has fallen dramatically, the Government is investing in the future of ARENA to support the next generation of energy technologies."

The Government's emissions reduction strategy is focussed on technology not taxes. An approach that doesn't compromise energy affordability or reliability will be more important than ever as we recover from the COVID-19 pandemic.

The Government will provide ARENA with guaranteed baseline funding of \$1.43 billion over 10 years. ARENA's baseline funding will be supplemented in two ways:

- 1. Together with the Clean Energy Regulator, ARENA will be approved to deploy a portion of the \$2 billion Climate Solutions Fund; and
- 2. ARENA will also become a clean technology grants hub for future initiatives, with a new \$193.4 million provided to deploy targeted programs.

The Boards of ARENA and CEFC will continue to be accountable for individual investment decisions. The Government will introduce new legislation so both agencies can support new and emerging low emissions technologies (including zero and negative emissions technologies). That ensures they will be able to support critical technologies such as soil carbon sequestration, carbon capture and storage, production of green steel, and industrial processes to reduce energy consumption.

This package will contribute to Australia's continued success in meeting and beating our emissions reduction targets. Australia beat its Kyoto-era targets by up to 430 million tonnes and the Government is on track to meet and beat our 2030 Paris target.

As a nation, Australia has done far better than similar export-oriented countries with emissions now 14.3 per cent below 2005 levels. This is an achievement all Australians can be proud of.

Early-stage investment is a proven method to accelerate the development of new and emerging technologies. The Technology Investment Roadmap will provide a strategic framework to prioritise the Government's investments.

ENDS