



Future made in Australia - sugar's sweet renewables story

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As the Prime Minister unveils incentives for clean energy and advanced manufacturing, Australian sugar manufacturers have highlighted the potential to provide significant amounts of renewable electricity and biofuels in a submission responding to the Federal Government's consultation on its Electricity and Energy Sector Decarbonisation Plan.

The Australian Sugar Milling Council's submission has highlighted that the sugar milling sector can play a significant role in achieving an affordable renewables future in Australia.

"Through our sugar feedstocks we have the potential to provide up to 8% of Australia's domestic aviation fuel needs through SAF, or power 850,000 homes through renewable electricity cogeneration while ensuring energy affordability", said Ash Salardini, CEO of the ASMC.

"Australia and particularly Queensland could become an energy powerhouse on the back of our industry, creating thousands of new jobs and contribute an additional \$4 billion to the economy."

Sugar byproducts, such as bagasse, can be converted into sustainable biofuels or the generation of renewable electricity. Billions of dollars of investment will be required to meet these potential opportunities, requiring both short-term and long-term government interventions

"In the short-term, biofuels like SAF are simply not competitive with traditional fossil fuels and are some 2-3 times more expensive. To provide the commercial incentives for investment in this area, the Government will need to introduce measures such as domestically produced biofuels mandates and tradeable market certificates for low carbon biofuels."

"Such measures will provide a pathway to the economies of scale and demand that will drive costs down and develop a viable market for biofuels."

With respect to sugar manufacturing's electricity cogeneration potential, governments and regulators, in the past, have failed to recognise the synchronous firming benefits of cogeneration, providing energy when the sun is not shining and the wind is not blowing.

"Cogeneration is one of the only forms of renewable energy that is synchronous and has firming benefits for the grid. However, as a non-scheduled generator, we receive no financial reward for these benefits, with the proposed Capacity Investment Scheme excluding us from the scheme. This must change so sugar manufacturers are incentivised to make the much-needed investments."

Our sector requires investment certainty, and regulatory hurdles to this investment including the pre-contract arbitration provision in the Federal Sugar Code of Conduct must be addressed.

"Energy production through the sugar supply chain is not a pie in the sky idea – we are producing biofuels and renewable energy today. Governments must provide the investment certainty so we can make the investments to grow and meet Australia's net-zero ambitions while providing affordable energy to all."

The media contact for this matter is Jim Crane: 0400 991 931.

About the Australian Sugar Milling Council: The Australian Sugar Milling Council is the peak industry body for the Australian sugar milling sector - contributing \$4.4 billion annually to the Australian economy and supporting more than 20,000 jobs. The ASMC works with its members, industry stakeholders, other industry representatives and government to develop and promote policies that enhance the sustainability, viability and economic contribution of the sugar industry in Australia.