

Statement of Corporate Intent

Purpose, vision and guiding principles

Purpose

As a government-owned renewable energy company, we are guided by our enduring purpose: working together to deliver renewable, affordable, reliable energy for all Victorians.

Vision

Our vision is to accelerate Victoria's transition to an affordable, reliable, equitable and zero emissions electricity system that enables decarbonisation across the economy, in partnership with Traditional Owners, the private sector and in coordination with Victorian Government initiatives.

Guiding principles

Our activities are underpinned by three guiding principles:

- 1. Public purpose** – Provide broader benefits to the Victorian community and consumers, including:
 - improving energy affordability and reliability
 - reestablishing public ownership and control of a portfolio of strategic energy assets, with profits reinvested into the SEC for public benefit
 - creating local jobs and maximising local capability
 - supporting underserved and vulnerable customer cohorts
 - building relationships with Victoria's First Peoples, ensuring we recognise the rights and authority of Traditional Owners.

- 2. Market enablement** – Operate in a way that accelerates the energy transition, by:
 - bringing capital to the transition task additional to that which would otherwise be delivered
 - maintaining private investor confidence in the Victorian energy market
 - catalysing private sector investment
 - supporting the development of a workforce equipped with the required skills
 - sharing lessons learned where appropriate.

- 3. Sustainable financial returns** – Earn a financial return across the portfolio that:
 - meets the requirements of public non-financial corporation status
 - enables us to generate cash flow to cover our operating costs within an acceptable timeframe
 - meets risk-adjusted target rates of return, enabling us to reinvest returns in more renewables and storage on behalf of the Victorian people.

Strategic pillars

The SEC's activities centre around three strategic pillars:

- **Investments:** investing in renewable energy and storage projects that accelerate the transition and deliver commercial returns
- **Households:** supporting households to go all-electric to reduce their energy bills and emissions
- **Workforce:** building the renewable energy workforce our energy transition requires.

Investments

The SEC is partnering with industry to transform the energy sector, driving further innovation and investment in renewables. In November 2023, the SEC co-invested with industry in one of the world's biggest battery projects – the Melbourne Renewable Energy Hub. This was the first investment from its initial \$1 billion allocation and a step towards building a target 4.5-gigawatt portfolio of new renewable generation and storage capacity with 51% ownership across the portfolio. Now, the SEC is focused on building a pipeline of strategic assets and products to support the transition and service government along with commercial and industrial customers.

To rapidly build its asset base and ensure it can begin trading by mid-2025, the SEC will:

- invest in storage assets, with a target of 1 gigawatt by 2028.
- support the transfer of the Victorian Government's Victorian Renewable Energy Target (VRET) 1 and Bulgana Green Power Hub (Bulgana) contracts to the SEC and the progressive transfer of the VRET2 contracts as commercial operation for those VRET2 projects is reached.

Together with other energy and capacity products purchased in the wholesale market, the SEC's asset base will enable it to serve the Victorian Government as a foundational customer and serve government's electricity load from mid-2025.

Over the life of this plan, the SEC will prepare itself to offer firmed renewable energy products to non-government commercial and industrial customers to help meet their decarbonisation goals. Its investments and trading will focus on accelerating the energy transition and delivering against its guiding principles.

Policy development, technology changes and market uncertainty can all affect the investment landscape. It will be important to remain flexible in how the SEC allocates resources beyond the next three to four years. Locking in a longer-term investment pathway reduces the SEC's flexibility to react to rapid changes in the Victorian energy market (and wider National Electricity Market) and the ability to invest in the right projects at the right time.

The SEC must start early-stage activities for strategic assets with long lead times in the next one to two years. This includes identifying and securing viable development sites, developing strategic partnerships with developers and suppliers, and engaging Traditional Owners and government to progress environmental and development permits and approvals.

Households

The SEC will, as a trusted public institution, provide Victorian households with products and services to make it easier and more cost effective for residential consumers to electrify their homes and reduce emissions. The Consumer Energy Solutions function is taking a customer-centric approach, using human-centred design principles to explore and deliver products and services that will have the greatest impact to create value and agency for Victorians.

Consumers face complex challenges in the energy transition. There is no "silver bullet" to help lower energy costs through electrification and achieve state and federal climate targets. As the consumer market and energy networks become more fragmented through the adoption of technology, the SEC can over the longer term coordinate elements of an evolving supply chain and ensure that energy consumers realise value and agency during the transition.

Workforce

Achieving the Victorian Government's 95% renewable energy target by 2035 requires a significant increase in energy generation and storage, as well as the skilled workforce to deliver, operate and maintain renewable energy assets and technologies. Building and operating the energy resources Victoria needs is expected to create more than 59,000 jobs, including 6,000 traineeships and apprenticeships.

The renewable energy sector faces challenges in securing the workforce it needs. Competing demands across Australia and globally for workers, low unemployment, and relatively low awareness of opportunities and pathways in renewable energy makes it difficult to attract skilled workers.

A concerted effort is needed through the SEC and the Victorian Government, working with industry, unions, Traditional Owners, the skills and training system and the broader sector, to attract, train and retain a new generation of renewable energy workers.

The SEC will engage in three areas to support workforce development:

- **As an employer:** The SEC will be a direct or indirect employer to deliver energy investments. The SEC will aim to be a model employer. It will deliver positive workforce outcomes using procurement levers, incentivising apprentices on contracted projects, and creating employment pathways.
- **Attraction and training:** The SEC will help develop a pipeline of skilled renewable energy workers and boost the sector's profile to attract more people, including through the SEC Centre of Training Excellence. The SEC will engage students through career nights and events to build the next generation of workers.
- **As an advocate:** The SEC will contribute to government efforts on sector-wide workforce development and attraction. The SEC will advocate for and work with other industry, unions and training sector partners to contribute to whole-of-sector actions.

Commitment to First Peoples

The SEC is committed to First Peoples self-determination and has worked with Traditional Owner Corporations to develop a set of principles to guide its operations and relationship with Victoria's First Peoples. In undertaking its functions and engagement with First Peoples, the SEC will:

- recognise, prioritise and embed the unique knowledge and wisdom of Traditional Owners, which includes caring for and speaking for Country
- establish a renewed relationship with First Peoples in Victoria, to ensure that First Peoples share in the benefits of Victoria's renewable energy transformation
- empower Traditional Owners and Victorian Aboriginal communities to identify their evolving aspirations and determine what their relationship with the SEC will be
- embed governance principles, policies and processes to ensure the collective support and decision making of First Peoples
- preserve, restore and strengthen the rights of Traditional Owners and not diminish the rights that have been secured to date.

The SEC is committed to delivering in a way that upholds these principles and respects Traditional Owner Corporation decision-making processes. The SEC will embed these principles in its governance, documents and in policies and procedures, including but not limited to:

- embedding the principles in the SEC Statement of Principles and Expectations
 - reserving a position on the SEC Board for a Victorian First Nations person, with the nominee to be self-determined by the First Peoples Assembly of Victoria
 - building capability and capacity across the organisation, embedding self-determination in core policies and procedures, and committing to evaluation and ongoing improvement
 - adopting agreed approaches to First Peoples' engagement, partnership, benefit sharing and investment best practice.
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