

**Submission on
AEMO's Integrated System Plan Consultation
for the National Electricity Market
December 2017**

**by
U3A Climate Conversations Group, Canberra***

Background:

The Climate Conversations Group is an informal grouping of citizens operating under the auspices of the University of the Third Age (U3A) Canberra. The group is concerned about the impact of climate change and the consequent ethical and moral responsibilities that fall on the current generation of decision makers. Allied to this, the group is concerned about energy use, its cost and reliability, and the consequent effects of greenhouse gas emissions on the environment and its effects on global warming and climate change.

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*The views expressed in this document are the views of the group members alone and do not represent the views of U3A ACT Inc.

Submission

Climate Conversations congratulates AEMO on the consultation paper which, within the scope allowed it, clearly and fearlessly sets out options to address key aspects of the “energy trilemma” in Australia. In so doing, it helps to cut through the sectional interests, ideological blinkers and axe-grinding which have tended to characterise our public discussion of policy options on these issues. Above all, by focusing on the Paris Accord targets to 2050, the paper and its further iterations can help to overcome the relentlessly short-term political focus which is, regrettably, ingrained in our federal political cycle, and which has in recent years been fatal to good policy in this vital area. AEMO has effectively ‘taken the bull by the horns’ in presenting an Integrated System Plan.

From a citizen’s perspective, we are concerned about the cost and reliability of electrical energy and the GHG emissions that arise as a consequence of electricity generation from fossil fuels. The transition to cleaner forms of energy with suitable storage is essential and it is vital that this transition is well planned, co-ordinated and not delayed. Our coal-based generators have served us well in the past, but it is essential that there is a well-developed plan in place to have sufficient renewable energy storage in place well ahead of the retirement dates for our aging coal-fired generating fleet. AEMO’s paper is a strong contribution to informing that critical debate and decision-making process.

Climate Conversations does not propose to provide detailed input on the various questions posed in the paper, notably in paragraph 1.3.1. We offer the following general comments, for reflection where possible in the further development of the Plan.

Framing the discussion correctly is vital to a good outcome. We accept the concept of the energy trilemma, but consider that, in terms of implications for the national interest, responding adequately to the emissions reduction challenge is of a different order of significance to concerns, immediate and important as they are, about affordability and reliability. Unlike climate change, the latter prongs of the trilemma carry no existential threat to the survival of present and future generations; but they have been made the overriding focus by government, for the immediate political reasons referred to above. The emissions reduction task, meanwhile, tends to be referred to indirectly and as briefly as possible, when it is the one on which national discussion and leadership is most vital.

On emissions, present Australian policy settings will bring us nowhere near the emissions reductions required if we, as a rich high-emitting nation, are to pull our weight in the global task. The national target of 26-28% by 2030 is inadequate; and the limitation of proposed reductions in the electricity sector to the same level would ensure failure to meet even that inadequate target. It is widely acknowledged that reductions in electricity generation are far easier to attain than in other areas, notably agriculture and some industries. It is therefore vital that electricity generation bear as much as feasible of the burden of meeting the national target, if severe dislocation is not to be imposed subsequently on other sectors.

We therefore strongly support AEMO's modelled proposal to double emissions reduction target within in the electricity sector to 52% below 2005 levels by 2030. In addition to the range of options available for reducing emissions in electricity generation, we think this is highly desirable for several reasons:

- The additional emissions reduction of ~ 40Mt CO2 by 2030, compared to the 28% reduction;
- It moves Australia from a foot-dragging, backward-looking stance to one where we can take advantage of the huge opportunities for investment and employment offered by the new energy economy;
- It is consistent with and builds on recommendations made by the Climate Change Authority and put forward in the CSIRO Low Emissions Technology Roadmap;
- The Fast Change scenario in the electricity sector will support emissions reductions in other sectors such as transport, as the move towards electric vehicles (PHEVs and EVs) ramps up over time.

It is our view that the proposed Fast Change emissions reduction of 52% below 2005 levels by 2030 should be established as part of the National Energy Guarantee (NEG).