## The Coalition's revised energy and emissions policy

The Coalition claims that the government's emissions policies are "arbitrary" and "unrealistic" and so will be scrapped if they are returned to government. Any party that recognises the severity of the coming climate impacts would be seeking to have targets that are "realistic", not remove them altogether. It is important to make it clear that the impact of climate change on Australia is central to this question. We now have six IPCC reports and the recently released National Climate Risk Assessment to tell us the consequences of failing to eliminate emissions. This is why we have the Paris Agreement which contains the implicit goal of achieving net zero emissions by 2050. It is totally disingenuous to claim that Australia can remain committed to the Paris Agreement without any targets, let alone a net zero target.

David Littleproud recently said:

*"So there's ways to reduce emissions and there's a way to tackle climate change rather than net zero. That's not the only solution."*

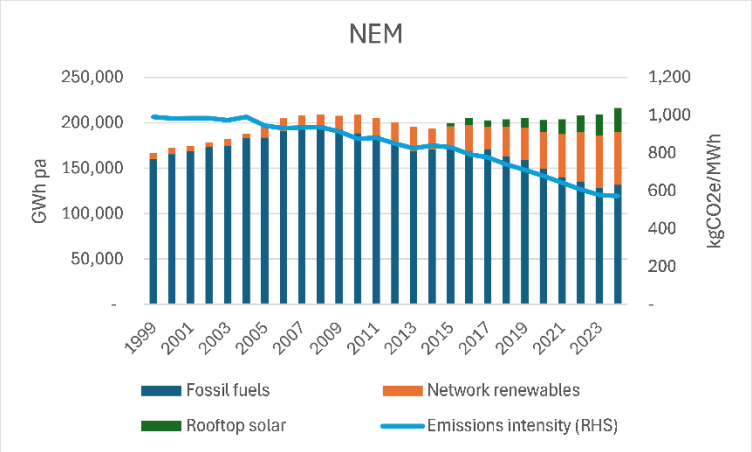
It is not about "reducing" emissions – it is about eliminating them. Failing to achieve net zero by 2050 (or soon thereafter) will lead to temperature increases exceeding 2°C by 2100 and for centuries to follow, meaning the impacts of climate change will be worse, likely much worse. They say Australia's emissions are so small that we make no difference on a global scale and it is more prudent to follow OECD countries so not to economically disadvantage Australia. However, Australia ranks 16th in terms of total emissions per year and first in terms of emissions per capita for OECD countries. Serious concern about the impacts of climate change for Australia would lead to aggressively promoting net zero emissions globally and showing the way by actively pursuing the target here, not abandoning targets altogether. Claiming that emissions reductions are hurting Australia economically is just a smokescreen to avoid accusations of climate denial.

The Coalition also claims that "electricity bills have surged nearly 40%". The Renewable Energy Target was introduced by the Coalition in 2001 but expanded in 2009 by the Labour government. That kickstarted Australia's emissions reduction in the electricity sector, including for small scale household rooftop solar. More than one third of Australia's households now have their own electricity self-supply saving them 40-60% of their power bill – averaging savings of well over $1,000 pa. Yes, power costs have gone up for households without solar but it is simply wrong to imply that electricity bills have uniformly "surged". For over one third of households they have dropped dramatically, including one suspects for some Coalition politicians.

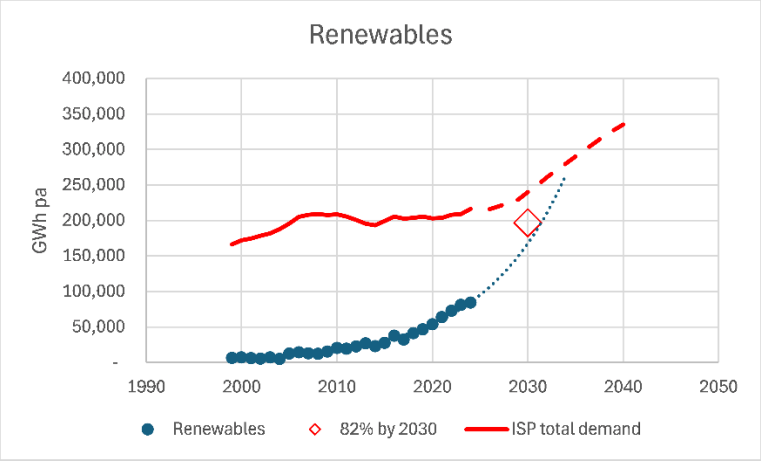
That unit electricity prices have increased as renewables have increased does not link the two facts. Correlation is not causation. There are many reasons why unit prices have increased as covered here by the Climate Council, including the price of gas and old and unreliable coal fired power stations. The point is that costs would have increased more without the transition to renewables. It is true that the cost of expanding our transmission network (poles and wires) is part of the story but the renewables transition mainly affects where they will go, not their necessity which is a function of peak electricity demand, not generation source. The people that actually know about the issue, the Clean Energy Council say that power bills will likely increase by much more if the transition is delayed, which is exactly what the Coalition is proposing. Report after report confirms that renewables plus storage plus small amounts of gas are the cheapest form of energy now, and the gap will only increase as the cost of renewables and storage fall with technology and economies of scale (see here). Why the Coalition wants to cling

to Industrial Revolution era technology instead of embracing cheaper and cleaner generation sources is a mystery. Why baseload power in general and nuclear in particular is no longer commercially viable is set out in detail here.

The claim that emissions reductions have "stalled" is also disingenuous. The following graph shows what has happened in the National Electricity Market (NEM) over the last 25 years. Due to both the RET and for cost reasons, network renewables have steadily grown, supplemented by rooftop solar in the last decade. The emissions intensity of the system has reduced by 40% in that time. Without that the NEM's emissions would have been 800 MtCO2e higher. This policy is working.




And what about the claim of "arbitrary" targets? The government's target for the electricity system is for renewables to supply 82% of generation by 2030. Renewables have grown exponentially as shown in the following graph. Historical electricity demand and AEMO's forward forecast is also shown.




Of course, there is no guarantee that renewables growth will continue on the current trajectory but if it does the 82% target would be achieved before 2035. A positive and consistent message to investors is key to making this happen.

To summarise why the Coalition's policy shift is disastrous for Australia:

- The implications of climate change require urgent action to reduce emissions globally, requiring net zero by 2050 or soon thereafter;
- The costs of inaction in human and economic terms will be much higher than action;

- Australia has a vested interest in promoting this objective and must play its part to be credible;
- The transition has reduced power costs for many households and will benefit many more in the future; and
- The government's target for electricity is ambitious but achievable.

The development of public policy based on evidence has always been an imperative, albeit often lacking. In the era of climate change, ignoring the evidence about its implications and mitigation pathways is indefensible.