



Nature Conservation Council

The voice for nature in NSW

23 June 2020

NSW Department of Planning, Industry and Environment
Locked Bag 5022
Parramatta NSW 2124

Via email: energysecurity@environment.nsw.gov.au

Dear Sir/Madam,

Re: Energy Security Target and Safeguard 2020 Consultation Submission

The Nature Conservation Council of NSW (NCC) is the peak environment organisation for New South Wales, representing over 150 member groups across the state. Together we are committed to protecting and conserving the wildlife, landscapes and natural resources of NSW.

Thank you for the opportunity to provide feedback on the implementation of the Strategy's Energy Security Target and the Energy Security Safeguard.

We are experiencing a worsening climate and biodiversity crisis. The people of NSW are suffering more intense bushfire weather and hotter, longer heatwaves. The threat posed to our society and environment by climate change is urgent. In 2015 governments, including Australia, came together and signed the Paris Accord, with an agreed aim of "holding warming well below 2°C, and pursuing efforts to limit warming to 1.5°C".

In response, our electricity system is transforming. Four out of five coal-fired generators in NSW are due to retire by 2035. However, doing our share to meet our commitments and avoid dangerous global warming requires a more rapid transformation of our energy system than the NSW government is contemplating.

ClimateWorks recently assessed prospective pathways for Australia to reach its commitments toward limiting global warming to 1.5 to 2 °C, as shown in the figure below. It found that to achieve this goal, coal-fired electricity generation must be greatly reduced by 2030, and

completely phased-out by 2035 or soon after. These scenarios rely on a large fraction of “negative emissions” to account for overspending the remaining carbon budget.¹

Electricity: All scenarios reach about 75% renewable electricity generation by 2030, and 100% by 2050. The key factor influencing the speed of the transition to renewable electricity is the rate at which coal generation (and then gas) exits the system.

Electricity generation by fuel type, TWh

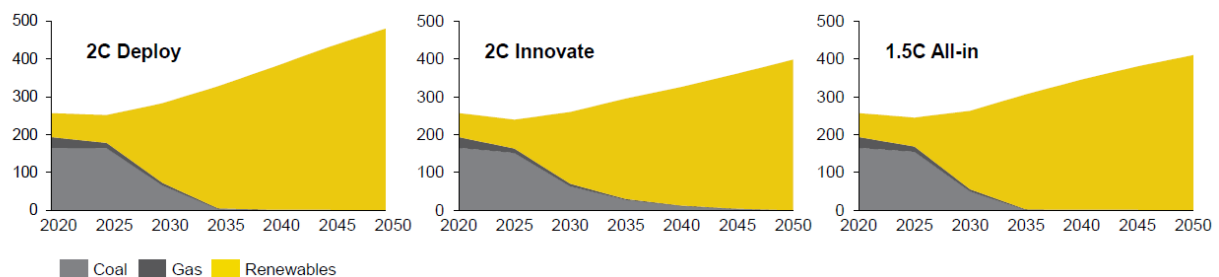


Figure 1. ClimateWorks Decarbonisation Futures 2020

Another climate consultancy, Climate Analytics, found similar results. In order to achieve their least-cost scenario, all OECD coal power stations must close by 2030.²

The climate imperative is for a rapid transition away from coal. We recommend that energy safeguard schemes be implemented and ramped up as quickly as possible to maximise reliability, affordability and environmental benefits.

Responses to consultation questions

1. Is the approach to assessing firm capacities from generators, interconnectors and demand response used to meet the EST reasonable and appropriate? Is there an alternative approach?

This approach appears appropriate and reasonable.

¹ ClimateWorks Australia, *Decarbonisation Futures*, March 2020

² Climate Analytics, *For Climate's Sake: Coal Free by 2030*, November 2019



2. Is the approach to applying the capacity factors for wind and solar generators reasonable and appropriate?

This approach appears appropriate and reasonable. As more wind and solar farms connect in NSW, we suggest that the capacity factors be regularly revised to account for new technologies and changing geographical diversity.

9. What would be a reasonable commencement date for the new energy saving and peak demand reduction targets? Please provide an explanation for your response.

It is important that the NSW Government commence these schemes as early as practicable to maximise the environmental and economic stimulus benefits of the schemes.

12. What issues should the NSW Government consider when setting targets to 2030? At what rate should the targets be increased to reach 13% by 2030?

In addition to saving energy and money, the NSW Government should consider the state's carbon budget when setting targets to 2030. A steeper ramp-up will maximise the benefits of the scheme from a climate perspective.

19. Which cleaner fuel switching activities should the scheme provide incentives for?

We strongly support inclusion of a wide-range of fuel switching activities. Assisting NSW households to get off gas reduces exposure to the now high-priced gas markets, and can come with significant environmental benefits, which increase as the electricity grid rapidly decarbonises.

We however recommend that biomass derived from native forests not be included in the scheme as a "cleaner fuel". Biomass markets that use native forests are likely to increase logging rates and intensity, which damages the role that native forests play both for biodiversity and as crucial stores and sinks of carbon. The term "residues" is often a euphemism for small trees, which are unsuitable for sawlogs but crucial for biodiversity. They must not be cleared for burning as biomass.



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We welcome further discussion on the implementation of the Energy Security Target and Energy Security Safeguard. Your key contact point for further questions and correspondence is Brad Smith available via bsmith@nature.org.au and 02 9516 4888.

Yours sincerely,

Chris Gambian
Chief Executive