



darebin climate action now

alphington - fairfield - northcote - preston - reservoir - thornbury

Dr Kerry Schott AO
Chair
Energy Security Board
info@esb.org.au

Dear Ms Schott,

Post 2025 Options Paper Submission - Closing Coal Power by 2030

Darebin Climate Action Now (DCAN) is a local not-for-profit organisation of City of Darebin residents concerned about the climate emergency and our governments' inadequate responses to this threat. For over a decade we have educated ourselves and members of our local community about the causes of, and appropriate responses to, the climate emergency. We have more than 1000 members and supporters.

We welcome the opportunity to make a submission in response to the Post 2025 Market Design Options Paper. We recognise the important work of the ESB to reform the National Electricity Market to adapt to a decentralised and decarbonised electricity system.

We are particularly concerned about some of the proposals to address the inevitable and necessary closure of coal power stations and their replacement with clean energy sources, characterised as *'Resource Adequacy and Aging Thermal Generator Retirement'* in the recent ESB Post 2025 Consultation Paper (1).

As the IEA has recently confirmed in their Net Zero 2050 pathway (2), coal power needs to cease by 2030 in advanced countries if we are to avoid a climate catastrophe. The reforms proposed by the ESB do not address this urgent timeframe or provide a pathway to ensure coal power stations in Australia do close by 2030. Whilst there is public discussion of the financial strains currently experienced by coal power station owners, currently only 4 of Australia's 19 coal power stations are set to close by 2030 and many are not due to retire until the 2050s. We note that in a recent Lowy Poll (May 2021), 67% of Australians were found to oppose subsidies for building new coal-fired power plants, whereas 91% were in favour of government subsidies for the development of renewable energy technologies (2).

State governments have long-term zero net emissions targets and will be under pressure to announce shorter-term targets in the lead-up to the Glasgow COP in November. The Post-2025 redesign must incorporate flexibility to allow states to ramp up their climate ambition consistent with the IEA's 2030 coal phase-out date.

Of particular concern to us is the ESB's proposal of a 'Physical Retailer Reliability Obligation' (PRRO). The existing RRO is untested and complicated. A PRRO could add significant costs to consumers whilst, even more concerningly, extending the life of coal power stations (3).

The ESB has failed to canvass any proposals that specifically promote clean technology over fossil fuel based generation, which should be of the highest priority. Frameworks have been developed for the orderly, structured replacement of facilitate coal power with clean technology, such as those proposed by Jotzo and Mazouz (4) and The Blueprint Institute (5), and these should be seriously considered by the ESB.

We call on the ESB to urgently reformulate the proposals around coal closure to ensure states have the mechanisms to build renewable energy and storage resources and replace coal power by 2030, in order to ensure a climate safe future for our children and grandchildren.

Yours sincerely,

Professor Ann Sanson
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1. [Post 2025 Market Design Options – A paper for consultation Part A](#) pp. 23
2. <https://www.lowyinstitute.org/publications/climatepoll-2021>
3. [Net Zero by 2050: A Roadmap for the Global Energy Sector](#)
4. [Paying Australia's coal-fired power stations to stay open longer is bad for consumers and the planet](#)
5. [Phasing out emissions intensive power stations | Centre for Climate and Energy Policy.](#)
6. [Phasing down gracefully Halving electricity emissions this decade](#)