



# SolarCitizens

A community voice for solar

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Dear Ms Schott,

## **Post 2025 Options Paper Submission - Closing Coal Power by 2030**

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 however are particularly concerned by the ESB's proposal of a "Physical Retailer Reliability Obligation" (PRRO) as we believe that there is a risk it will extend the life of coal fired power stations, and add to consumer costs. We are concerned about the lack of investigation of options that would promote clean technology over fossil fuel generation.

Frameworks that facilitate coal power being replaced with clean technology in an orderly, structured way such as those proposed by Jotzo & Mazouz<sup>1</sup> or The Blueprint Institute<sup>2</sup> should be considered by the ESB, rather than keeping them open.

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.

We would also like to address the DER integration elements in the post 2025 market design, and support the comments of IEEFA in their submission on this issue. While there is no doubt that DER is challenging the structures of the existing energy system, it also presents an opportunity to decarbonise in a way that maximises benefits to consumers and communities - as it is a very low cost form of energy and co-locates generation with load.

The adoption of rooftop solar by households has been driven by environmental concerns, but also a concern about rising power costs and a suspicion of existing market players, whether this is retailers, networks or generators. While there may be diverse reasons for rising power costs, they are at least partly the result of the deregulation and marketisation of the NEM overall that has enabled both regulated monopolies and market players to realise significant profits.

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<sup>1</sup> [Phasing out emissions intensive power stations | Centre for Climate and Energy Policy.](#)

<sup>2</sup> [Phasing down gracefully Halving electricity emissions this decade](#)

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Given this social and economic context for the growth of DER, further marketisation and the introduction of new market players may not be avidly embraced by solar householders. We are already seeing this in views on virtual power plants, as this research from UNSW which canvassed consumer views highlights:

*...few participants were enthusiastic about participating in VPP markets with private, for-profit companies. Concerns about equity, fairness and trust were often raised by participants, as well as frustration with the difficulty of negotiating complex options for energy supply. Our research supports earlier findings that energy governance built around a model of commons is more likely to find broad support in the community.<sup>3</sup>*

There is an existing lack of trust, and few entities that seem well placed to build that trust. For example there are very few community owned energy groups, which have been instrumental in building trust and buy-in in other countries - particularly in Europe. In New Zealand networks are owned by consumers who see dividends distributed back to them.

It's for this reason that we support IEEFA's call for the prioritisation of elements of the DER program of work that exist separate to the development of new markets, such as technical standards for DER, and a revision of consumer protections. We also think that the paper underestimates new emerging sources of demand and storage, in particular electric vehicles. The future of DER imagined in the options paper is one in which householders continue to generate a significant amount of excess power, minimum demand continues to be an issue and there is a growing market for ancillary services. However EVs have the potential to soak up excess energy without the need for exports, as well as provide storage. More of the ESBs work should consider and plan for this potential.

Yours sincerely,



Ellen Roberts  
National Director  
Solar Citizens

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<sup>3</sup> Mike Roberts, Sophie Adams, Declan Kuch, 'VPP User Report, Final Report', UNSW, 25th May 2021, accessed at: [https://www.researchgate.net/publication/346411460\\_VPP\\_User\\_Research\\_Final\\_Report](https://www.researchgate.net/publication/346411460_VPP_User_Research_Final_Report)