



Peoples Climate Assembly
PO Box 544
Canberra ACT 2601

8 June 2021

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

Dear Ms Schott,

Submission to the Post 2025 Options Paper - Close Coal Power by 2030

Thank you for the opportunity to make a submission to the *Energy Security Board Post 2025 Options Paper*¹. The Peoples Climate Assembly (PCA) is particularly concerned with the section on *Resource Adequacy and Aging Thermal Generator Retirement*.

The PCA is a coalition from a wide cross-section of climate and environmental groups who are working together towards the same goal, to help save our environment and ensure a renewable and sustainable future for all.

The PCA, as its name implies, is concerned with the climate and the need to rapidly reduce emissions. The International Energy Agency (IEA) in its report *Net Zero by 2050*² states that “*The path to net-zero emissions is narrow*” and that “*(f)rom 2021: No new oil and gas fields approved for development; no new coal mines or mine extensions*”. The IEA goes on to say that we need a “*rapid shift away from fossil fuels*” including phasing out unabated coal power plants.

So, we see the imperative is to shut down coal-fired power plants as rapidly as possible. The Energy Security Board (ESB) does not appear to have provided a mechanism for this to occur, yet State governments have a range of aggressive 2030 targets in place for renewable energy sources which will inevitably push the uneconomic coal-fired power plants out of the market. It is how this occurs in a rapid and orderly fashion which is critical. System design requires the flexibility to allow for ever faster phase out of old coal-fired plant and even quicker addition of renewable sources of generation as both public sentiment and State governments ramp up their expectations for a renewable energy future.

However, we are also aware that this shutdown should not be allowed to occur in an unplanned manner which could cause destabilisation of the system and price spikes. At the

¹ [Post 2025 Market Design Options – A paper for consultation Part A](#)

² [Net Zero by 2050: A Roadmap for the Global Energy Sector](#)

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The Peoples Climate Assembly acknowledges that we live on the stolen land of the Indigenous people of Australia. We acknowledge the Ngunnawal and Ngambri people, the traditional custodians of the land on which Canberra is situated. Their sovereignty was never ceded. We pay our deepest respects to our nation's First Peoples and to Elders, past and present.

same time, we do not agree with subsidising coal plants to stay open, as it would lead to perverse outcomes, and we believe there are alternatives to that approach.

We are particularly concerned by the ESB's proposal of a 'Physical Retailer Reliability Obligation' (PRRO). We are concerned that this mechanism could unnecessarily extend the life of coal-fired power plants and lead to higher costs for consumers³.

A number of mechanisms have been suggested to address the above concerns and the orderly phase-out of coal-fired plants, such as those proposed by Jotzo & Mazouz⁴, and The Blueprint Institute⁵, and we believe the ESB should consider and act upon these.

Yours sincerely,

John Smith
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³ [Mazengarb, Michael, "Reaction: Emissions the unspoken 'elephant in the room' in ESB reform package" in Renew Economy, 30 April 2021](#)

⁴ [Phasing out emissions intensive power stations | Centre for Climate and Energy Policy](#)

⁵ [Phasing down gracefully Halving electricity emissions this decade](#)

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