

Submission on Clean Energy Finance Corporation Amendment (Grid Reliability Fund) Bill 2020

As senators will be aware, the world is facing the dire prospect of global temperatures increasing by 2 degrees or more unless all countries can reduce net carbon emissions to zero by 2050. The early effects of climate change are already apparent to us in Australia in the recent devastating bushfires on the east coast, the repeated coral bleaching events on the Great Barrier Reef and the greater than usual incidence of extreme weather events and temperatures.

The Australian Government is currently refusing to set goals or targets for reduction in greenhouse emissions, (other than the Paris 26%, achievement of which will require use of the “accounting trick” of including Kyoto carry over credits).

Not setting targets for reducing greenhouse emissions to zero by 2050 means that no structure has been set up to drive these reductions. Failing to plan means planning to fail!

This is the context in which I ask you to examine the Clean Energy Finance Corporation Amendment (Grid Reliability Fund) Bill 2020.

The move to require the CEFC to invest in gas, fracking, and unproven technologies such as carbon capture and storage seems driven more by ideology and a desire to protect the fossil fuel industries, than by the science and economics of climate change.

Gas may have a role as a short-term transitional fuel between more polluting fossil fuels and renewable energy, but the current proposals seem to be about entrenching gas in the long term. Although gas is, at first glance, cleaner burning than coal, the inevitable leakages of methane to the atmosphere during mining and transportation reduces this advantage. Fracking in particular has serious environmental effects on groundwater quality.

The future for jobs and lower power prices while reducing our carbon footprint lies in increased investment in storage and distribution of renewably generated energy, whether by solar, wind, tidal or other means. Current best options include battery storage, ‘green’ hydrogen production and storage, or pumped hydro, alongside reconfiguration of the electricity grid to accommodate the changed profile of electricity generation.

The Tesla battery in SA has shown the positive effect even a relatively small battery can have on grid stability.

One of the easiest ways to achieve zero emissions is by refusing to build any more fossil fuel powered electricity generation capacity, regardless of whether it is coal, oil or gas fired.

There are so many potential projects that could stabilise the grid AND employ thousands of Australians while reducing our carbon footprint, that there is no need for further development of gas powered generation. Requiring the CEFC to finance otherwise commercially unviable gas projects will mean spending taxpayer money only to create a stranded asset. The reliability and stability of the electricity grid is of great importance, but can be ensured by increasing investment in storage and distribution of renewably generated energy as allowed for in the Bill. This will provide much greater chances of reducing our greenhouse emissions to an acceptable level, e.g. net zero by 2050. And is likely to provide more and longer lasting jobs.ⁱ

I urge you to reject any proposals to require agencies such as CEFC and ARENA to fund projects that use or facilitate the use of fossil fuels.

John Terrell

ⁱ See for example Climate Council 2020, *Clean Jobs Plan*, at <https://www.climatecouncil.org.au/resources/clean-jobs-plan/>