

# Coalition Senators' Dissenting Report

## Introduction

1.1 The Coalition Senators do not support the Recommendations contained in the Final Report. The majority report does not adequately or fairly reflect the evidence presented to the committee. Further, the Coalition Senators object to the ideologically driven conclusions which are counter to the Government's technology agnostic policy approach.

1.2 The Coalition Senators recognise that the energy sector is essential to Australian's wellbeing and standard of living, and plays a pivotal role in Australia's ongoing prosperity. Energy security must be government's number one energy policy priority. The transition to a lower emissions economy must be done in a way that maintains a secure and affordable energy supply to industry and households.

1.3 The bringing together of the Environment and Energy portfolios under the Federal Minister for the Environment & Energy in August 2016 is facilitating the integration of climate change and energy policy with the central aim to keep energy secure, reliable and affordable whilst achieving emissions reductions.

1.4 The Government has a comprehensive policy framework in place to achieve this objective:

- ratification of both the Paris Agreement on climate change and the Doha Amendment to the Kyoto Protocol;
- Australia's ambitious and responsible target to reduce emission by 26 to 28 per cent below 2005 levels by 2030;
- Australia is currently on track to beat its cumulative 2020 target by 22 million tonnes;
- the successful Emissions Reduction Fund (ERF) has delivered over 178 mt of abatement at an average price of \$11.83;
- the 2017 review of climate change policies which follows the Government's commitment to review its policies when it set Australia's target to reduce emissions by 26 to 28 per cent below 2005 levels by 2030 is underway and set to be completed by the end of 2017;
- the Renewable Energy Target (RET);
- the National Energy Productivity Plan (NEPP) that will see our energy productivity increase by 40% by 2030;
- measures to support clean energy investment, including the \$10 billion Clean Energy Finance Corporation (CEFC) and the Australian Renewable Energy Agency (ARENA);
- vehicle emissions standards; and
- a domestic phase down of hydrofluorocarbon gases as part of a recently developed global agreement.

1.5 At the same time, the Federal Government, in conjunction with the COAG Energy Council, is currently developing a long-term national blueprint for the national energy sector through the Finkel Review. A final report to the Energy Council is expected mid 2017.

1.6 Since these measures have been announced, the Government has also been actively pursuing a technology neutral approach as evidenced by:

- At the Government's request, ARENA and the Clean Energy Finance Corporation agreeing to work together on a new funding round for large-scale energy storage and other flexible capacity projects including pumped hydro. The Government is making energy storage infrastructure a critical priority to ensure better integration of wind and solar into the energy market and more efficient use of conventional power.
- The Government commitment to the Snowy Mountains Scheme 2.0 plan that will increase the generation of the Snowy Hydro scheme by 50%, adding 2000 megawatts of reliable renewable energy to the National Electricity Market – enough to power 500,000 homes.
- The Government through ARENA partnering in a feasibility study for a 100-200 megawatt pumped hydro project at Cultuna in the Spencer Gulf in South Australia.
- Together with the Clean Energy Finance Corporation, ARENA is assisting Genex Power to investigate the feasibility of a pumped storage hydro power plant at the discussed Kidston Gold Mine in North Queensland. This has potential to generate up to 250MW of rapid response flexible power for the National Electricity Market (NEM).
- ARENA is supporting a study by ANU to develop a map of potential sites for off-river pumped hydro projects.
- The Government has obtained commitments from east coast gas producers to guarantee that gas will be available to meet peak demand periods in the national electricity market as soon as possible. This agreement is especially important given the increasing reliance on gas as a stabilising energy source able to quickly respond to the variability of intermittent sources of energy.

1.7 The Coalition Senators support a transition of the energy market which is supportive of displaced workers, their families and surrounding communities. The indirect impacts on associated small-medium businesses need to be considered in any Government response which is why the Federal Government's package in response to the Hazelwood closure not only supported workers and their families but was also designed to support the broader community across the region.

1.8 Fundamentally, and contrary to the Majority Report, Coalition Senators do not believe that the best way to achieve an effective transition is to force the exit of coal fired power generation from the electricity system.

**Senator Linda Reynolds**  
**Deputy Chair**

**Senator Jonathon Duniam**

