

Energy White Paper Taskforce
Department of Industry
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By email: ewp@industry.gov.au

4 November 2014

Dear Taskforce,

Submission on the Energy Green Paper

Thank you for the opportunity to make a submission on the Energy Green Paper.

Epuron is a renewable energy developer responsible for a number of wind farm developments in New South Wales and is the owner and operator of four solar power stations in the Northern Territory, three of which serve remote communities. Epuron is an SME which has grown in response to the Renewable Energy Target and to the inevitable turn towards renewable energy as a key part of Australia's future.

This Energy Green Paper (EGP) is notable in its lack of coverage of renewable energy, its failure to acknowledge climate change and international moves towards lower-carbon power generation and how it positions Australia at odds with the rest of the developed world.

The EGP presents a case for fossil fuels, however, it fails to acknowledge the risks associated with its ambitious export targets and it lacks alignment with science. It is also out of step with the wishes of the Australian people and with the energy policy direction of the majority of developed countries. In particular it fails to consider market risks with key trading partners who are reducing demand for what the EGP is keen to sell.

The thrust of the EGP is to ensure no avenue remains unexplored in the race to secure, use and export our coal, gas and uranium – at the expense of all other options. The paper presents an economic argument for fossil fuel production at a time of unprecedented, scientifically agreed, international consensus on the need for action on climate change. As Stern in 2006 and Garnaut in 2008 and 2011 noted, action towards a low carbon economy earlier rather than later will be more cost effective.

BloombergView notes “The case for affordable policies to reduce climate change doesn't require scientific certainty; it's a matter of prudently insuring against risk. Choosing the precautions that strike the best balance between costs and benefits while spreading the burden fairly is fundamentally a political task.”¹

The stationary energy sector is the largest single contributor to greenhouse gas emissions in Australia according to the EGP (Page 49), contributing 51% of Australia's emissions, 35% from electricity and 16% from other stationary energy. The EGP does not address emissions meaningfully. Instead it argues the case for coal despite the inclusion of sentences such as: “*It will be important that coal produces the most energy for the lowest emissions, but this requires major capital investment in a market that is currently oversupplied*”.

The International Energy Agency (IEA) in its 2013 ‘Energy Policy Highlights’ document which showcases key developments in the energy policies of the 28 member countries notes:

¹ BloombergView, Nov 3, 2014, <http://www.bloombergtview.com/articles/2014-11-03/another-report-won-t-slow-climate-change>

“Many of the policies highlighted identify an urgent need to reduce greenhouse gas (GHG) emissions as a clear objective. Electricity, enhancing energy efficiency and increasing the share of renewables in the energy mix in a cost effective manner are likewise areas of common focus. Overall, the energy concerns reflect key areas of focus for the IEA – energy security, environmental protection and economic development.”

On 3 November 2014, the United Nations Intergovernmental Panel on Climate Change released its synthesis report, a summary of its last three reports. It noted that the world's top scientists have given their clearest warning yet of the severe and irreversible impacts of climate change and warn that greenhouse gas levels are at the highest they have been in 800,000 years, with recent increases mostly due to the burning of fossil fuels.

The Climate Council and many others note that to achieve no greater than 2 degrees of warming, 60% of the fossil fuels in the ground must remain there and not be burnt.

Yet, under the title ‘Energy White Paper in Context’, there is no mention of climate change. Climate change is not mentioned once in the entire text of the EGP other than as part of the title of the United Nations Framework Convention on Climate Change.

Climate science must be relied upon in the same way that scientific research into “key knowledge gaps in the consideration of water-related impacts from CSG and coal mining” must be relied upon. Science cannot be considered ‘fact’ in areas of economic interest but relegated to ‘belief’ in areas which are not part of the economic plan.

The EGP notes that *“to be a more attractive investment destination than other resource rich countries, Australia must be seen to be open for business, with a stable and predictable policy environment that also protects the national interest”*. Yet while we write this submission we await the government’s position on the Renewable Energy Target Act with a clear indication that the target may change resulting in investors departing from Australia. Stable and predictable policy, scientific certainty – these are either applicable or they are not.

While a recent Crosby Textor poll shows that over 80% of Australians want renewable energy and want the Renewable Energy Target to be left untouched, the EGP mentions the importance of community views and engagement only to explain to the community “the relative merits of resource projects, particularly those involving CSG and large coal mining developments” (Page 20).

This EGP is a missed opportunity to address its terms of reference for a coherent view on energy policy. It lacks a cohesive argument, fails to draw logical conclusions from the facts and statements it presents and does not demonstrate the required level of awareness of the context for Australia’s energy policy.

Yours sincerely,



Martin Poole
Executive Director