

20 February 2023

Australian Energy Market Operator

Dear Powering the Regions Team,

Submission AEMO 2023 Draft Inputs, Assumptions and Scenarios Report

Climate Action Network Australia (CANA) welcomes the opportunity to participate in the Australian Energy Market Operator's (AEMO) 2023 Draft Inputs, Assumptions and Scenarios Report consultation process. CANA is a member-based organisation made up of over 150 climate-focused civil society organisations advocating for Australia's rapid transition to a zero-emissions country. We seek a fair Australia, free of climate pollution, where people and nature are protected from dangerous climate change.

We welcome recent improvements in climate policy made by the Albanese Government, including the passage of the Climate Bill 2022 and update to the Nationally Determined Contribution under the Paris Agreement. These commitments are important first steps that need to be followed with ambitious policy and investment if we are to mitigate dangerous climate change.

For Australia to meet its decarbonisation goals, the energy market sector needs a clear and centralised, long-term road map. CANA notes that AEMO has identified four scenarios in the draft Inputs, Assumptions and Scenarios Report. The four scenarios include;

1. the 1.5°C Green Energy Export Scenario
2. the 1.8°C Orchestrated Step Change Scenario
3. the 1.8°C Diverse Step Change and
4. the 2.6°C Progressive Change

Of the four scenarios identified, only one - the 1.5°C Green Energy Export Scenario - is compatible with Australia's 1.5°C commitments as well as international efforts to keep global temperatures at safe levels. As such, CANA would like to propose the following considerations for AEMO;

1. That the remaining three scenarios be reconsidered and developed with alternative pathways that deeply transform the Australian energy sector and keep our emissions to 1.5°C;
2. That all, or at least some of the scenarios are developed with more ambitious targets in mind compared to the current national 43% emissions reduction targets;
3. Significantly re-examine the role of land-based carbon sequestration across all four scenarios. This is because land-based carbon sequestration methods such as carbon offsets and carbon capture and storage do not offer a permanent solution to driving down carbon emissions at the scale and rate that is needed to keep global temperatures to 1.5°C. Additionally, offsets are not equivalent to absolute emissions reductions.

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CANA would welcome the opportunity to work further with the Australian Energy Market Operator on its Draft Inputs, Assumptions and Scenarios Report.

Sincerely,

A handwritten signature in black ink that reads "Has Mukh Chand". The signature is written in a cursive style with a period at the end.

Hasmukh Chand hasmukh@cana.net.au
Strategist - Climate and Energy, Policy and Politics
Climate Action Network Australia