

Thank you for the opportunity to make a submission to the Climate Change Authority's "Comparing illustrative electricity sector emissions reduction policies"

Any policy for reducing emissions in electricity generation must ensure that the power stations with the highest emissions intensity are closed as soon as possible. Tackling the highest polluting power stations as quickly as possible will make the biggest immediate difference in Australia's emissions, and will help speed up Australia's transition to being a low-carbon energy user.

The preferred option is the following:

Policy scenario 6 – 'Regulatory approach' of standards for existing and new generators. Maximum allowable emissions intensity standards for new generators introduced. Existing generators are closed in order of ... emissions intensity (version B).

This regulatory approach (version B) is the only policy approach that guarantees Australia will move quickly from its current reliance on power stations with high emissions intensity. I also note that this approach is being undertaken in Germany as a way of forcing the closure of its dirtiest power plants.

We are currently witnessing the closure of existing coal-fired power stations in Australia, with the recent announcement of the closures of the Anglesea, Northern and Playford B power stations. According to a report in The Age on June 12, 2015 "Coal-fired power stations face existential crisis", there are a number of other power stations that are vulnerable to closure (Vales Point, Millmerran, Callide B, and Tarong North). They are vulnerable because of their high production costs. However, these vulnerable power stations are not the most polluting power stations.

In particular, Hazelwood Power Station, which has the highest emissions intensity in Australia, is not regarded as vulnerable. Hazelwood Power Station was not even regarded as vulnerable to closure under a carbon price of \$24 per tonne.

It is clear that indirect mechanisms to reduce carbon emissions from electricity generation are not sufficient to ensure that the highest polluting power stations are closed. Only regulatory measures stipulating a maximum emissions intensity can do this. I therefore support this policy option.

Yours sincerely

Dr Andrea Bunting