

Dr Kerry Schott

Chair

Energy Security Board

Via Email: info@esb.org.au



6th March 2018

Dear Dr Schott

Re: *National Energy Guarantee Consultation*

Thank you for the opportunity to provide comment into the *National Energy Guarantee Consultation*.

Farmers for Climate Action is an inclusive movement of thousands of Australian farmers, agricultural industry leaders and interested community members committed to putting those on the frontline of climate change front and centre in creating climate solutions. Farmers for Climate Action believe in preserving the viability of Australian agriculture for future generations of Australian farmers, recognising that Australia's future lies with clean energy, clean water and food security.

Agriculture is Australia's most exposed industry to climate change and Australian farmers are on the front line of extreme weather events. Right across our country, farmers are already witnessing the impacts of climate change; from increased severity of tropical cyclones in the north, changing rainfall and weather patterns and the increased likelihood of drought and heatwave conditions through vast areas of our country.

In response to the impacts of climate change being felt on Australian farms, Farmers for Climate Action is committed to supporting a rapid transition away from fossil fuels and towards a renewable energy future.

In addition to facing the extremes of a changing climate, Australian farmers are being hit hard by rising energy prices, with the industry in urgent need of a clear, transparent and workable energy policy framework to ensure that farm businesses are able to remain productive and profitable in challenging market conditions. We subsequently welcome the opportunity to make comment on the National Energy Guarantee.

Emissions Targets

Farmers for Climate Action recognises that Australia must implement a 26-28% reduction in emissions from 2005 levels by 2030 across the economy in order to honour our international obligations and work with the global community to avert dangerous climate change.

The energy sector is Australia's most emissions intensive industry, and owing to the relative concentration of infrastructure, the centralised nature of our electricity grid and the rapid emergence of new technologies, the energy sector must be responsible for significant reductions in Australia's overall emissions profile.

However, instead of supporting a rapid transition to renewables, it seems likely that the National Energy Guarantee will stifle the development of new renewable projects, lock aging and polluting technologies into the system and slow the transition to a clean energy future.

Subsequently, Farmers for Climate Action is deeply concerned that the emissions cuts targeted under the National Energy Guarantee of a 26-28% reduction are inadequate to achieve the levels of emission reduction required in order to honour our commitments under the Paris Agreement, and must be increased as a matter of urgency before the policy can be considered to address the challenges of affordability, reliability and emissions reduction.

Offsets

Farmers for Climate Action is deeply concerned that the inclusion of international offsets to theoretically reduce the emissions intensity of Australia's energy sector runs contrary to the objective of any energy policy in a carbon constrained environment. Using international credits to offset emissions is unlikely to facilitate a transition to a clean energy future.

Other issues

In addition to the above critical issues, the National Energy Guarantee has been criticised as being overly complex, administratively complex and plagued by a lack of transparency. Subsequently, Farmers for Climate Action strongly urges the Energy Security Board to consider alternative policy frameworks to achieve reliability, affordability and sustainability without undermining Australia's transition to a clean energy future.

Thank you for your consideration of this submission.

Sincerely

A handwritten signature in black ink, appearing to read 'V. Morgan-Schmidt', enclosed within a faint, light-colored rectangular border.

Verity Morgan-Schmidt

CEO Farmers for Climate Action

E: verity@farmersforclimateaction.org.au

W: www.farmersforclimateaction.org.au

M: 61+ 429 042 308