

Submission
No 42

INQUIRY INTO 2024 ANNUAL REPORT OF THE NET ZERO COMMISSION

Organisation: Nature Conservation Council of NSW

Date Received: 14 February 2025



Nature Conservation Council

The voice for nature in NSW

14 February 2025

Submission to the Joint Standing Committee on Net Zero Future Net Zero Commission Report, 2024

The Nature Conservation Council of New South Wales (NCC) is the state's peak environment organisation. We represent over 200 environment groups across NSW. Together we are dedicated to protecting and conserving the wildlife, landscapes and natural resources of NSW.

NCC welcomes the publication of the inaugural Net Zero Commission report and the opportunity to make a submission to the Joint Standing Committee on Net Zero Future with recommendations to strengthen the transition to a safe climate future in NSW.

We note the Commission's key finding that the state's 2030 and 2035 emissions targets are not assured under current reduction trajectories and support the call for faster and more significant progress to be made.

Given the Net Zero Commission (NZC) had limited time for its first annual report, it didn't make any recommendations. This is an uncomfortable omission because as the Commission notes, NSW is not on track to meet its legislated climate targets. We firmly believe it is possible to achieve the targets, but only if remedial action is urgently taken.

Therefore, we call upon the committee to make recommendations to government that would give effect to the themes and findings in the NZC report, and drive emissions down in time to meet the 2030. We provide recommendations for solutions that would achieve this goal.

We provide recommendations in relation to four key areas: the renewable energy transition and timely exit of coal; addressing social licence considerations in the renewable energy rollout; land-use sector decarbonisation opportunities; and measures to strengthen expert advice and recommendations of the Commission in line with its functions.



Nature Conservation Council of NSW
Jacqueline Mills, Senior Climate &
Energy Campaigner

www.nature.org.au



1) Renewable energy transition and timely exit of coal

We agree with the Commission that the electricity and energy sector remain central in the drive towards net zero, both in reducing its own emissions and enabling other sectors to decarbonise through electrification. More needs to be done to build out the renewable energy transition in a timely manner.

We note the Commission's comments around how the lifetime extension of the state's biggest coal fired power station, Eraring, sets back considerably achievement of the state's emission targets.

Concern over the pace of new renewable energy generation, storage and transmission capacity factored into the decision to extend Eraring's lifetime to 2027 via an agreement between its operator and the state government.

Latest data from AEMO via its Energy Security Target Monitor report published in December 2024 forecasts a shortage of firm generation capacity compared to the Energy Security Target in 2027-2028 when Eraring is scheduled to retire. This presents a risk that Eraring will be further life-extended again, further undermining NSW's prospects of meeting legislated climate targets.

We recommend that the state government outline a detailed plan to frontload efforts to bring new capacity online prior to 2027. Due to extended timelines to complete key transmission projects, we recommend this includes a focus on unlocking capacity close to point of consumption via a significant increase in support for household energy solutions, batteries, enhanced commercial and industry capacity, and peak demand reduction initiatives.

The same Energy Security Target Monitor report indicates, on current projections, an excess in renewable energy supply in 2028-2029 which suggests that there no reason to delay closure of a further coal fired power station on energy security grounds.





Nature Conservation Council

The voice for nature in NSW

Therefore, we recommend that the NSW government publishes a staged timeline of coal fired power station closures, including ensuring an additional closure occurs before 2030. This is essential for maintaining investor confidence in clean energy, ensuring market stability, and unlocking the capital needed for a least-cost energy transition.

We note the Commission, in its' report, expresses concern about the risks to the state's targets from increased emissions in the resources sector and notes that should proposals to extend or expand coal projects be approved, hard choices will need to be made to scale up decarbonisation in other sectors.

We believe that new coal projects, extensions or expansions are not consistent with emissions targets under the Net Zero Act.

Given the Commission's concern with progress towards the 2030, 2035 and 2050 targets under the Act, we recommend the state government develop a carbon budget across all sectors that sets out the allowable emissions for the resources sector to 2030, 2035 and 2050, and to advise consent authorities that projects should only be approved if they allow for meeting of sectoral carbon budgets at 2030, 2035 and 2050.

Further, we recommend the planning minister provides advice to consent authorities on how they should evaluate requests for further information from mining proponents as to how their operations are consistent with the guiding principles of the Net Zero Act and with the Paris Climate Targets in respect of Scope 3 emissions.

Acting on methane emissions from coal and gas represent a near term opportunity to reduce emissions given methane's very high global warming potential and short lifetime in our atmosphere.

We recommend that the state government review regulations in such a way as to increase abatement and mitigation opportunities for fugitive, run of mine and legacy emissions as well as requiring ventilation abatement for underground mines.



Nature Conservation Council of NSW
Jacqueline Mills, Senior Climate &
Energy Campaigner



We also recommend the resources regulator undertakes a coal supply analysis for each proposal to justify the need for the project from an energy security perspective where coal is intended for domestic consumption.

For highly environmentally sensitive coal mining projects, such as those proximate to World Heritage Areas or in the headwaters of drinking water catchments, the coal supply analysis should determine where coal may be sourced in a manner of least cost to the environment.

We welcome the finalisation of the EPA large emitters guidelines and recommend that the Commission work with the EPA to collate and analyse incoming data from resources' emissions reporting to inform recommendations around an emissions cap at sectoral and project level consistent with the sectoral carbon budget (see above).

2) Addressing social licence considerations in the renewable energy rollout

We acknowledge the Commission's finding that there are ongoing risks to the delivery of the NSW Electricity Infrastructure Roadmap, particularly regarding transmission projects. Concern from local communities over nature impacts of transmission lines and renewable energy generation and storage have factored in to delays in rollout of the NSW Electricity Infrastructure Roadmap.

NCC has worked with local communities in New England and Hunter Renewable Energy Zones (REZs) to explore how concerns might be addressed whilst pushing forward with the renewable energy transition essential to address climate change and safeguard a future for nature.

The resulting joint statement outlines a series of recommendations to strengthen safeguards for nature, including pursuing nature restoration opportunities through renewable energy projects, as well as continue to strengthen community consultation. This includes suggestions around incentivising developers to pursue opportunities to protect and restore nature through renewable energy projects via changes to merit criteria for tenders, and for development of practical resources for landholders and developers.

Taken together, the policies outlined in the statement would significantly boost social licence for renewable energy if implemented in key regions.





We also acknowledge the view of the Commission that the NSW Government could do more to develop and progress initiatives around consumer energy resources. This will strengthen social licence, bring down cost of living pressures, and complement grid scale initiatives. There is significant potential to do more and quickly, building on the NSW Consumer Energy Strategy published in 2024.

We believe that the government should pursue mandatory disclosure and minimum energy standards for rental properties as flagged in the NSW Consumer Energy Strategy. This should cover thermal insulation, efficient hot water and efficient heating, drawing on learnings from other states. Pushing on with a gas substitution roadmap, as committed by the NSW government, is also critical to address emissions and bring down energy prices for consumers.

We recommend the government incentivises developers to protect and restore nature through renewable energy projects via changes to merit criteria for tenders and provides practical resources for landholders and developers. Further, we recommend the government set firm dates and targets for key elements of the Consumer Energy Strategy as outlined above.

3) Land-use sector decarbonisation opportunities

The land sector presents excellent opportunities to make meaningful contributions to our near term 2030 and 2035 emissions targets. These abatement opportunities are low cost, can be taken with quick effect and deliver immediate emissions reductions. Mitigation actions within the land sector also provide significant co-benefits for biodiversity.

Land Use, Land Use Change and Forestry (LULUCF) is currently a net carbon sink in Australia, however emissions from 'Forest converted to other land use', remains a sizeable contributor to Australia's GHG emissions. Whilst estimates of forest conversion emissions vary regularly, the June 2022 Quarterly Update of Australia's National Greenhouse Gas Inventory placed these emissions at ~40m tonnes p.a. - approximately 8% of national emissions in that quarter¹.

¹ Figure 16, Page 20, available at: <https://www.dcceew.gov.au/sites/default/files/documents/nggi-quarterly-update-june-2022.pdf>





Nature Conservation Council

The voice for nature in NSW

The NSW Government has committed to considering the GHG impacts of different uses of forests as part of the Forest Industry Action Plan. Logging destroys stable, long-term stores of carbon. Thus, the sooner action is taken to prevent logging, the sooner NSW will realise significant emissions abatement benefits which can contribute to our 2030 and 2035 targets and beyond.

We urge the NSW government to release estimates of the emissions reduction potential from ending native forest logging. This action is necessary from an economic, environmental, and climate point of view.

We recommend that the NSW government report gross emissions from Forestry Corporation NSW's hardwood division. Currently, only net emissions are reported, that is sequestration from trees growing across state forests is used to obfuscate the significant emissions from industrial logging.

We note that the hardwood division is already imposing significant costs on taxpayers, its products are readily substitutable and regional labour markets are tight.

Restoring degraded land is also an opportunity. The NSW Government should set carbon sequestration targets for NSW informed by detailed modelling to assess and quantify the carbon sequestration potential of priority degraded ecosystems. This would align with the proposed goals and targets for restoration under the new NSW Nature Strategy.

We recommend that the government undertake modelling to quantify the emissions abatement that preventing further land clearing would deliver for NSW, commit to phase out native forest logging, and set carbon sequestration targets for restoration of degraded land.

4) Measures to strengthen expert advice and recommendations of the Commission in line with its functions

We note that the Commission is not due to release its next annual report until the end of calendar year 2025. In the interim, the Committee should issue recommendations based on the inquiry at hand. Recommendations from the Commission and/or Committee should clearly define which portfolios or government departments they apply to.



Nature Conservation Council of NSW
Jacqueline Mills, Senior Climate &
Energy Campaigner



Nature Conservation Council

The voice for nature in NSW

We note that the Commission had limited time to prepare its inaugural report following inception and made use of greenhouse emissions modelling data which predated the decision to extend the lifetime of Eraring power station. It is essential that for future reports, the Commission is provided with more recent emissions modelling data.

We note further that up-to-date AEMO data (2021 to 2024) indicates that the current electricity generation goals under the Electricity Infrastructure Investment (EII) Act are incompatible with the emission reduction targets in the Climate Act 2030 target and that new energy build rate needs to double.

Electricity generation carries the bulk (77%) of emissions reductions this decade according to DCCEEW's public net zero emissions dashboard, with an implied carbon budget of 158 Mt for the electricity generation sector FYE 2025-2030. However, comparing the targets in the EII Act and historical build rates of new energy with this goal shows our build rate needs to more than double. Wind power is especially off track, while rooftop PV is on track.

We recommend, as above, that sectoral carbon budgets are developed consistent with the Net Zero Act and that these should be used to assess the adequacy of current renewable energy targets against the energy sector carbon budget to allow for increasing the ambition of targets as required.

Thank you for the opportunity to make a submission. Your contact person at Nature Conservation Council of NSW is Senior Climate and Energy Campaigner, Jacqui Mills.

Yours sincerely,

Jacqueline Mills
Senior Climate & Energy Campaigner



Nature Conservation Council of NSW
Jacqueline Mills, Senior Climate &
Energy Campaigner