



New Parliamentary inquiry on coal closures

The Investor Group on Climate Change (IGCC) notes the establishment of a new Parliamentary Inquiry on the closure of coal fired energy generation facilities in Australia, addressing the need to decarbonise our electricity sector, manage community impacts and increase resilience to climate change.

“Reviewing how best to manage the retirement of carbon-intensive ageing coal fired generation is an important component of the integrated energy challenge. Getting it wrong will have significant implications for investors, communities and asset owners alike. Having a plan for an orderly and fair transition is vital”, said Emma Herd, Chief Executive Officer of the Investor Group on Climate Change (IGCC).

Today, the Senate referred a new Inquiry to the Environment and Communications References Committee to review the closure of coal fired generation and ensure a Just Transition for impacted communities in line with Australia’s commitments under the Paris Agreement. This follows the Select Committee into Resilience of Electricity Infrastructure in a Warming World established earlier in the week.

“The energy sector is currently undergoing a fundamental structural transformation. Falling demand, changing price dynamics, rapid technology deployment, decarbonisation and the physical impacts of climate change are all impacting how energy infrastructure operate globally. These trends are also playing out here in Australia. They are not something that Australia can avoid”, said Herd.

“Better planning and governance will ensure that this transition is efficient and equitable and not disorderly or more expensive than it needs to be”.

“Building the resilience of our energy system in the face of the many impacts of climate change is critical to Australia’s future prosperity. Getting the policy settings right to support investment certainty is fundamental”.

“Investment in long-life assets in the energy sector is underpinned by policy certainty. Without a durable policy framework able to deliver both security of supply and manage the challenges of changing market dynamics of climate change, there is a greater risk that investment will simply go offshore”.

Next year the Government will undertake the 2017 Review, looking at how our climate change policies will deliver against the commitments of the Paris Agreement which Australia has signed up to. Energy is critical to achieving our climate change targets. IGCC believes that mapping out a long term decarbonisation pathway for the energy sector should be incorporated into the 2017 Review.

“Questions on how to deal with increasing renewable energy investment, managing out ageing coal fired generators, falling demand, energy productivity and the impacts for transmission infrastructure of distributed energy, are all part of the same policy conversation and must be managed in an integrated manner”, said Herd.



Investor Group on
Climate Change

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IGCC recently set out the [seven climate change policy priorities](#) which investors believe are critical for managing risk and unlocking investment in low carbon finance opportunities. Alongside energy sector reform, this includes clear and durable emission reduction pathways, an appropriate disclosure regime for climate related financial risk and a national adaptation action plan.

IGCC looks forward to participating in the current and ongoing reviews.

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