

Clean Energy Council, CEO Forum

6 November 2024



The Hon Matt Kean

Chair - Climate Change Authority

Check against delivery

I begin by acknowledging the Ngunnawal and Ngambri people as the traditional custodians of the land we're meeting on today, and pay my respects to their Elders, past and present.

I appreciate the opportunity provided by the Clean Energy Council to address you today.

And thank you to so many CEOs for participating in the Forum.

The work each and every one of you do is crucial

. . . in delivering the deep cuts in emissions we need now to avoid the worst impacts of climate change

. . . in building a contemporary energy system powered by renewables

. . . and in creating the technologies, products and services that can see Australia seize our potential as a renewable energy superpower.

When I was appointed as Chair of the Climate Change Authority, I made clear that the authority's role is to lean into the facts. That's science, evidence, engineering and economics.

So let's look at the facts.

The environmental facts tell us that the planet is warming and the carbon clock is ticking.

We're seeing the warnings of climate scientists – who first rung the bell on the risks of climate change and extreme weather events decades ago – start to come true with alarming accuracy.

We're seeing it at home and we're seeing it abroad, in extreme weather disasters of unprecedented ferocity lashing communities, costing lives and livelihoods.

The 2024 State of the Climate report paints a stark picture of the impacts already baked in from the cumulative emissions pent up in our atmosphere.

This up-to-date statement of the science, painstakingly prepared by the CSIRO and the Bureau of Meteorology, makes clear that Australia's average temperature on land has risen by 1.5 degrees since national records began in 1910.

That doesn't put us over the Paris Agreement goal for *global* average temperature rise yet. But we're already seeing more hot days and heat waves, rising sea levels and more extreme fire weather - among other impacts.

Our natural ecosystems and food-producing regions are struggling to adapt to longer and more severe droughts in some parts of the country, and repeated major flooding in others.

Some of our precious natural places like the Great Barrier Reef are already experiencing irreversible change, and more are at risk.

The Black Summer bushfires of 2019-20 caused deep national trauma because of the scale of environmental and property destruction, and impact on communities far beyond the fire front in air quality and health risks.

Less well known is that in 2023, bushfires destroyed an area estimated to be *eight times as large* as that burned during Black Summer, primarily across the Northern Territory and Western Australia.

What used to be 'once in a century' risks are becoming far too common.

So the environmental facts are clear, and they compel us to take urgent action to drive emissions down as far and fast as possible now.

Let's also consider the economic facts.

Coal-fired power has helped underwrite our economic prosperity for the past 60 years.

But those power stations are reaching the end of the road.

Ten have closed since 2012, and AEMO estimates 90 percent of today's capacity will close by 2035, with the rest by 2040.

That's a simple reflection of the fact this is old technology and no longer economic.

Nor is it reliable, which is adding to price spikes and instability in the grid.

So we must move with haste to replace that generation capacity.

Both the CSIRO's expert advice, and the clear view expressed by capital markets, tells us that a system built on renewables is the best, most affordable way forward.

We have a roadmap that tells us what we need to build, where we need to build it, and by when.

That's the Integrated System Plan.

It provides a clear blueprint for the generation, storage, transmission and reliability infrastructure needed in the National Electricity Market to sustain a secure and affordable supply of electricity.

We have enabling initiatives like the Capacity Investment Scheme, which is providing important signals to encourage new investment in dispatchable renewable energy generation and storage.

And now, we have the insights on how to harness clean energy and other opportunities to transform all major sectors of the Australian economy, through the Climate Change Authority's Sector Pathways Review.

It is built on independent, expert and robust advice.

It looks at the spectrum of mature, demonstrated and early-stage technologies that will be needed to decarbonise our economy

. . . from continuing to build on the shift to clean energy, taking our grid from 40 percent renewables today to 82 percent and beyond

. . . to harnessing that abundant electricity to power transport, our homes and parts of industry far more cleanly

. . . and scaling up the mix of solutions that will change how we make things, grow things and care for land.

The Sector Pathway Review was very clear that accelerating Australia's transition to renewables needs to be a top and immediate priority.

Decarbonising our grid is the largest source of near-term abatement. The electricity sector can do much of the heavy lifting on cutting emissions to 2030.

By rolling out clean energy infrastructure now, we also unlock potential for deeper cuts to pollution in other sectors in the decades beyond, and the creation of entire new industries which can power the next era of Australian prosperity.

Products like renewable hydrogen, green metals and zero emissions data centres are the new essentials of a low-carbon economy.

We have a great shot at making them right here in Australia, taking an important place in the clean supply chains that are being mapped out as we speak.

But only if we get our energy system right.

We don't have much time together today so I don't want to spend too long talking about options which don't fit the bill for our needs. But I do just want to offer a couple of reflections about nuclear energy.

Some people worry about nuclear waste. I worry about the waste of *time we don't have* to deal with two real and pressing problems.

A decade or more of extra emissions from coal is a debt our kids can't afford to pay.

And the only electrons that will keep the lights on are the ones we can plug into the grid within the next 10 years.

So that must define the mission.

Bringing *down* emissions – as far and as fast as possible.

Shoring *up* our grid – with proven technologies that are ready to deploy today.

Any genuine energy plan needs to deliver on these two key tests.

I know that for most of you in this room, the past few years have been where the rubber has really hit the road. Things that were once theoretical have become very, very real – in energy control rooms, communities, construction sites and markets.

That can be exhilarating, and challenging. Frustrating, and full of proud firsts. You're not just living through the energy transition – you're building it, day by day.

Thank you for your leadership, for forging a path that others can follow.

We can't afford backtracking, and we mustn't allow Australia's progress to fall off the pace or get bogged down.

Renewable energy is the essential ingredient for a cleaner, safer and more prosperous Australia. All power to you, as you keep powering up our nation.