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Climate Change Act Amendment Engagement  
Department for Environment and Water

**Submitted by email: [DEWClimateChange@sa.gov.au](mailto:DEWClimateChange@sa.gov.au)**

**5 April 2024**

**South Australia's Draft Climate Change and Greenhouse Emissions Reduction (Miscellaneous) Amendment Bill 2024**

AGL Energy (**AGL**) welcomes the opportunity to make a submission in response to South Australia's Draft Climate Change and Greenhouse Emissions Reduction (Miscellaneous) Amendment Bill 2024 (**the Draft Bill**).

AGL is a leading integrated essential service provider, delivering 4.3 million gas, electricity, and telecommunications services to our residential, small and large business, and wholesale customers across Australia. We operate Australia's largest electricity generation portfolio and have the largest renewables and storage portfolio of any ASX-listed company, having invested \$4.8 billion in renewable and firming generation over the past 20 years and added more than 2,350 MW of new generation capacity to the grid since 2003.

We firmly support Australia's ambition of net zero by 2050 and believe this will underpin the competitiveness of the Australian economy. This will be realised by Australia generating low-cost power using zero emissions wind and solar resources, backed up by technologies like batteries, hydro power and, for some of this transition, gas. As the global community responds to the risks of climate change, AGL recognises the large part that we must play in the transition to a low carbon economy.

In our inaugural 2022 Climate Transition Action Plan, we outlined AGL's updated ambition to become an integrated low-carbon energy leader, including:

- Targeting a full exit from coal-fired generation by the end of FY35;
- Ambition to meet customer energy demand with around 12 GW of new firming and renewable assets by 2036; and,
- An initial target of 5 GW new firming and renewables by 2030.

AGL has also committed to repurposing its large thermal generation sites into low carbon industrial energy hubs. These energy hubs aim to support reinvestment into local communities and economies, reduce costs by repurposing existing infrastructure and assets, ensure productive future use of land and existing electrical infrastructure post closure, and provide future jobs for the workforce and next generation as well as local communities.

Also, in late 2022 AGL announced the closure of the Torrens Island B Power Station in June 2026 along with an intent to repurpose the broader Torrens Island site to an integrated Low Carbon Energy Hub (**Torrens Hub**). The Torrens Hub will leverage existing site infrastructure to provide low-carbon energy plus land, water, and logistics to industrial companies looking to decarbonise their operations, that co-locate at the site.

In August 2023, AGL opened its 250 MW / 250 MWh grid-scale battery at the Torrens Hub and has also signed a memorandum of understanding with global energy technology company SLB to pilot a nickel hydrogen battery (expected to be the first of its kind in Australia) at the site.

South Australia has long been at the forefront of the climate space, being the first Australian jurisdiction to pass a specific law about climate change with the *Climate Change and Greenhouse Emissions Reduction Act 2007* (**the Act**) in 2007.



AGL applauds the South Australian Government on its ambitious approach to lowering greenhouse emissions and tackling climate change and supports the proposed changes to the Act outlined in the Draft Bill.

AGL welcomes the revised target to achieve net zero greenhouse gas emissions by 2050 along with the introduction of the new interim 2030 target to lower net greenhouse gas emissions by at least 50% by 2030 (from 2005 levels). We are also very supportive of the introduction of the requirement for the Minister to set five yearly interim targets to ensure South Australia is on track to achieve net zero emissions in 2050 and help prevent dependence on last minute and potentially more expensive actions.

Interim emissions reduction targets help set guideposts for the transition to a net zero economy and are an important component of realising this objective. In addition to an overall emissions budget and a legislated long-term emissions reduction trajectory, interim targets assist to provide clarity on the future operating environment and allow all stakeholders and communities to plan for the future.

Interim targets can also support an increased level of coordination between government policy action and voluntary private sector action to maximise the efficiency of abatement activities. Certainty of long-term policy settings provides a more stable environment for the deployment of capital to support economies and communities going through transition.

In setting the interim targets, we would encourage the South Australia Government to ensure that any interim target is sufficiently ambitious while still being achievable. We also note that there are particular challenges with setting subnational (i.e., State-level) targets given that South Australia's economy is deeply integrated both with the economies of other States and at a federal level.

AGL also welcomes the proposed update to the renewable electricity target in the Act to 100% net renewable electricity generation by 2030, reflecting South Australia's leading role in the adoption of renewable electricity. AGL is pleased to be supporting this target through the completion of the Torrens Island Battery, which is time-shifting renewable energy from when it is abundant in the middle of the day to other times of lower renewables and higher demand, as well as through the development of the Barn Hill Wind Farm and Battery Project near Redhill in the State's mid-north, which has a planned combined capacity of more than 600 MW. We also endorse the target being net generation given South Australia's reliance on energy imports from time to time and the fact that some gas generation is likely to be required to support the system over the longer term. Achievement of South Australia's targets, as well as Australia's broader emissions reduction targets, will be underpinned by state and federal governments working together, ensuring a nationally coordinated approach.

AGL views the introduction of a state-wide emissions reduction plan as beneficial as it provides clarity and transparency regarding the government's objectives, policies, programs and initiatives for lowering, limiting or preventing greenhouse gas emissions and agree that this plan should be updated every five years, in line with the interim targets.

AGL also supports the new requirement for the South Australian Government to prepare a state-wide climate risk assessment, as this will help focus on future adaptation actions and give a foundation for other governments, businesses, organisations and individuals to conduct their own climate risk assessment.

AGL looks forward to continuing to work the South Australian Government to help deliver on its ambitious climate targets and transition South Australia towards a clean energy future.

Should you have any questions in relation to this submission, please contact Leilani Kuhn (Policy Manager) on 03 8633 6934.

Yours sincerely,

**AGL Energy**