



Australian Government
Climate Change Authority



Australia's electricity sector and the Authority's Special Review

**Crawford School CCEP Symposium:
Electricity sector policy options**

29 February 2016

Kathryn Smith

Special Review

Minister for Environment requested a Special Review to:

- Provide recommendation on targets (completed)
- Assess whether Australia should have an emissions trading scheme
- Recommend action Australia should take to implement outcomes from the Paris Summit
 - Final report due 30 June 2016

Spotlight on the electricity sector

- The Authority is looking at a range of options to reduce emissions from electricity generation
 - Mandatory emissions pricing
 - Technology-pull measures
 - Regulation
- Assessing options through quantitative and qualitative analysis (including modelling) against 3 key criteria
 - Environmental effectiveness
 - Cost effectiveness
 - Equity
- Outlook for the sector is uncertain (eg demand, technology, business models), so taking particular account of policy robustness and flexibility

Policies analysed

- Mandatory carbon pricing
 - Cap and trade emissions trading scheme (ETS)
 - Emissions intensity ETS
 - Carbon tax
- Other mandatory price-based policies
 - Renewable Energy Target
 - Low-emissions Target
 - Feed-in Tariff with Contract for Difference
- Regulation
 - Regulated closure
 - Absolute baselines
 - New entrant standards



Next steps

- Release of electricity sector consultation paper
 - Planned for April
- Feedback will inform final report of Special Review
 - due 30 June



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Terms of reference

- Should Australia have an emissions trading scheme?
 - If so what should trigger the introduction
- Whether key countries have established schemes
- Australia's international undertakings
- International competitiveness