

2025 consultation

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9 July 2025

Net Zero Commission

Submitted online: <http://www.netzerocommission.nsw.gov.au>

## **2025 New South Wales Net Zero Commission work and advice – Consultation Paper**

Origin Energy Limited (Origin) welcomes the opportunity to comment on the Net Zero Commission's forward work program. The Commission has an important role providing advice to the NSW Government on ambitious but achievable emissions reductions targets, identifying opportunities to contribute to achieving these targets, and educating community, business and government.

### Strategies should adapt to technological, regulatory and market changes

Origin supports regular reviews to update strategies and analysis to ensure a science-backed approach that accounts for technological, regulatory and market changes, and considers expert advice from bodies such as the Intergovernmental Panel on Climate Change (IPCC). We also think it is important to focus on desired outcomes, rather than specific technologies or levers, to remain agile to this changing context. This is the approach we have taken to our Climate Transition Action Plan (CTAP) outlining our plans to reduce our emissions by enabling customers to decarbonise, growing our portfolio of renewables and cleaner energy, and reducing emissions from our existing operations.

We appreciate that this consultation follows the Commission's 2024 Annual Report finding that increased and accelerated efforts are required as achieving NSW's 2030, 2035 and 2050 targets is not guaranteed. In this context we think it is important to note that the transition will be challenging and progress will not necessarily be linear, but clear consistent policy guidance can help ensure efforts across the economy remain aligned over time.

### The energy sector remains central to the transition

Origin appreciates that the energy sector has a key role to play in the transition to net zero – both as a source of emissions and an enabler of decarbonisation in other sectors. We support a coordinated strategy focused on growth in renewables, flexibility in gas and storage (both hydro and battery), as well as cleaner, smarter energy solutions for customers.

The Commission has asked for specific feedback on opportunities to accelerate the development and deployment of energy generation and network infrastructure. Origin considers access to the right skills and critical supplies to accelerate renewable and cleaner energy in a cost effective, timely and ethical manner is critical to delivering this infrastructure. We offer our people career planning, upskilling and redeployment opportunities for roles directly affected by the transition.

Efficient permitting and approvals processes for key infrastructure is also required to enable acceleration of renewables. As we noted in our submission to the Productivity Commission's inquiry into investment in clean energy and the net zero transition, we consider there is scope to streamline planning and approvals processes for all energy infrastructure without unduly compromising regulatory standards. This includes minimising duplication across state and commonwealth processes, as well as establishing a more clearly defined framework for how and when applications will be assessed, with prescribed timelines provided for each step in the process. This would reduce uncertainty around the length of approvals and promote timely delivery.

The Commission also requested feedback on what more could be done to support community engagement. It would be useful to wait for the various measures currently under development and being implemented to progress before making further changes. For example, there are already a number of efforts to build local community support for new energy infrastructure projects, including through transmission and renewable energy zone (REZ) frameworks and merit criteria for government funding. Similarly, a number of these processes are also exploring opportunities to improve engagement with First Nations Communities and implementation of the First Nations Clean Energy Strategy is expected to offer further guidance and insights.

Energy companies have also provided guidance on their approach to working with communities to support the transition. For example, our 2022 CTAP includes a commitment to getting energy right for our customers, communities and plant. To do this we are supporting communities through this major period of change for our sector, as well as considering affordability and reliability of energy supply, to deliver a just transition to net zero. Origin also works with Reconciliation Australia and other partners to continue our reconciliation journey and ensure our relationships with First Nations communities are mutually beneficial. We are currently implementing our third reconciliation action plan (RAPs) and have established a dedicated business unit to help embed our commitments to First Nations Communities across our business.

#### The scale of the task requires all sectors to contribute to emissions reductions

Origin agrees with the Commission's position that all sectors will need to play their part to meet the legislated emissions targets. It is important to recognise that the increased and accelerated efforts required to achieve these targets provides significant opportunities for business to grow and deliver customer and environmental benefits. Advice on the pace and scale of decarbonisation required should signal the expected contributions of each sector to the transition, as well as recognise interactions between these efforts. For example, the Commission seeks opportunities to accelerate electrification in the industrial and built environment sectors, but this must be supported by the delivery of sufficient energy infrastructure over time.

Origin appreciates that electrification is a key element of the transition for many sectors and supports households, businesses and industry to electrify as part of our commitment to enable our customers to decarbonise. This is why we have established a business division (Origin Zero) which partners with customers to achieve their sustainable energy goals with a growing portfolio of low carbon products and clean energy solutions. This includes rooftop solar and batteries, renewable and carbon-neutral energy and renewable power purchase agreements (PPAs) to help supply the increased demand from electrification. But it also includes combining orchestration and data analytics to provide an end-to-end energy efficiency solution and build customer engagement through the energy transition.

We recognise the state and commonwealth government are also working to support accelerated electrification in different sectors, with targeted programs to support social equity considerations. This includes leading by example in the built environment through their co-funded social housing energy performance initiative (SHEPI) to support social housing tenant to reduce their energy bills with electrification and improved efficiency and flexibility of demand. In considering what more could be done, we think it is important to consider when electrification may be technically and economically possible for consumers but also when it will be most beneficial. Accelerating electrification in isolation of the operational impacts for the consumer and the energy sector can result in perverse impacts. Simshauser and Gilmore demonstrate the need for sequencing of electrification to be coordinated with investment in the energy sector to prevent negative affordability, reliability and sustainability outcomes.<sup>1</sup>

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<sup>1</sup> Simshauser, P and Gilmore, J., 'Policy sequencing: on the electrification of gas loads in Australia's National Electricity Market, December 2024, viewed online 30 June 2025.

We are also concerned that the overlay of policies, regulations, reviews and consultations are not always clearly aligned which makes supporting customers to achieve their decarbonisation commitments more challenging. We suggest that rather than fundamental changes to introduce new frameworks it would be more efficient to build on existing policy and regulatory foundations and minimise the cost and complexity of managing broader changes. Once we have invested in supporting our customers to engage with policy and regulatory reforms to support their decarbonisation commitments it is easier to help them engage with changes to these reforms than introduce them to a whole new framework. Too many changes can make customers reticent to engage further in decarbonisation.

The Commission can help community, business and government(s) work better together

Origin appreciates the Commission's decision to use the Commonwealth's Net Zero Plan delineation of sectors in its advice and reporting. We also appreciate your efforts to explore interactions with major Commonwealth strategies like Future Made in Australia and the Safeguard Mechanism. This approach will help the community, businesses and governments spend less time mapping between advice, policies and regulations at the state and national level and more on actions to support these ambitions. But more could be done to reduce perceived duplication and ensure every effort has the largest impact possible to reduce the scale of the task and the costs ultimately passed on to consumers.

In addition to aligning its own work, the Commission is well placed to advise others on how to improve coordination and align policy and regulatory efforts across departments, governments, and government bodies. Statutory responsibilities also enable the Commission to educate the community, business and government on interactions between, and overlap of, policy and regulatory frameworks. Reducing duplication between processes and providing guidance on how the proposed strategies align would support coordinated, least cost economy wide efforts to decarbonise.

The scale of renewables, storage and transmission required to deliver the transition and the potential for this investment to impact on energy affordability should not be underestimated. While business and government will work to minimise the cost of the transition, it is important the community receives clear, consistent and realistic information on the scale of investment and policy costs generally funded through consumer energy bills. Open, honest and consistent information will support trust and engagement with decarbonisation efforts and the relationships required to sustain (and accelerate) these efforts.

If you wish to discuss any aspect of this submission further, please contact [REDACTED]

Yours Sincerely,



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