

Pathways Call for Evidence Submission

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30 July 2026

Net Zero Commission

Submitted via the Commission's consultation hub

Decarbonisation Pathways for New South Wales

Alinta Energy welcomes the opportunity to respond to the Net Zero Commission on the *Decarbonisation Pathways for New South Wales Call for Evidence Consultation*. Alinta Energy supports the emission reduction target set by New South Wales to reduce emissions by 50% by 2030 and 70% by 2035, compared to 2005 levels and to reach net zero emissions by 2050. We support the Government's development of decarbonisation pathways to achieve the targets.

We are an active investor in energy markets across Australia, with an owned and contracted generation and storage portfolio of more than 3,300 MW and more than one million electricity and gas customers. We support the transition to net zero and are investing to bring on the renewable generation and firming capacity the market needs.

We have a track record of delivering and operating generation and storage assets across Australia and the commercial capability to invest in renewable energy projects.

Alinta Energy's development pipeline in New South Wales

New South Wales is a growth market for Alinta Energy, and we are progressing a local pipeline of renewable generation and long-duration storage projects, including:

- Ben Bullen Wind Farm, in the Central West.
- Mount Lambie Wind Farm, in the Central Tablelands.
- Yambla Wind Farm, in the Riverina.
- Oven Mountain Pumped Hydro project in the New England region.

These projects require substantial capital, efficient approvals, coordinated connection processes, timely transmission and distribution network development, and sustained community support for the transition. Supply chain constraints, workforce pressures, and broader investment conditions can delay delivery and affect investment decisions.

These issues directly affect whether development pipelines can be converted into operating assets. The pathways should therefore reflect the practical delivery challenges facing New South Wales renewable generation investment pipeline and recommend measures that improve the enabling conditions needed to support delivery.

Recognising emissions abatement from renewable generation

Meeting national and state renewable energy targets will require a significant increase in new renewable generation, particularly wind generation. Wind can diversify renewable supply as solar output approaches curtailment levels and location-based constraints limit further solar expansion. However, current market settings continue to make investment in new wind projects challenging.

The Renewable Energy Target has effectively been met and will expire in 2030. Large scale generation certificate prices and wholesale prices remain relatively low. Government initiatives have supported some developments, but the current investment environment continues to constrain projects before final investment decision.

The Renewable Energy Guarantee of Origin (REGO) scheme will provide transparency on renewable energy attributes, but it will certify renewable generation rather than deliver compliance-grade offsets or integrate with Australia's carbon credit market. REGOs will also be voluntary, and forward price expectations through to the 2050s remain low. They are therefore unlikely to provide the financial incentive needed to accelerate investment in large-scale renewables.

The Emissions Reduction Fund (ERF) has no method to recognise the emissions reductions delivered by grid connected renewable projects. This gap prohibits renewable generation from competing on equal terms with other abatement options and excludes one of Australia's most important tools for meeting its emissions targets. Without an Emissions Reduction Fund method for grid-connected renewables, these projects remain excluded from the Australian Carbon Credit Units Scheme, limiting their ability to contribute to national emissions targets and reducing investment incentives.

A market based mechanism that values this abatement would recognise renewable generation as an abatement tool, improve carbon market liquidity and provide an additional market determined revenue stream. This would reduce the cost to taxpayers of supporting renewable investment.

Established techniques already exist to quantify emissions reductions from grid-connected renewable projects. The World Resources Institute's Greenhouse Gas Protocol includes specific guidance for project developers and policy makers on estimating emissions reductions from electricity supplied to the grid, or from activities that reduce electricity consumption from the grid. A method of this kind may also reduce abatement costs for facilities covered by the safeguard mechanism.

An Emissions Reduction Fund method for grid connected renewable generation would complement, rather than duplicate, existing Commonwealth and state mechanisms. Alinta Energy has advocated this position in previous Climate Change Authority consultation processes.¹

Alinta Energy recommends that the New South Wales Government advocate to the Commonwealth Government to develop an Emissions Reduction Fund method that enables grid-connected renewable generators to earn Australian Carbon Credit Units.

¹ 8 December 2025, Enhancing the ACCU Scheme to support Australia's 2035 emissions reduction target, [Alinta Energy submission](#).

Alinta Energy supports the Commission's work to develop practical, evidence-based decarbonisation pathways for New South Wales. We would welcome the opportunity to discuss the matters raised in this submission.

Thank you for considering our submission. If you would like to discuss this further, please contact Karan Sharma, Manager Public Policy, at [REDACTED]

Yours sincerely

Graeme Hamilton
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