GUIDE

AUSTRALIAN ENERGY MARKET COMMISSION

Emissions targets statement under the national energy laws

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About the AEMC

The AEMC reports to the energy ministers. We have two functions. We make and amend the national electricity, gas and energy retail rules and conduct independent reviews for the energy ministers.

Acknowledgement of Country

The AEMC acknowledges and shows respect for the traditional custodians of the many different lands across Australia on which we all live and work. We pay respect to all Elders past and present and the continuing connection of Aboriginal and Torres Strait Islander peoples to Country. The AEMC office is located on the land traditionally owned by the Gadigal people of the Eora nation.

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The purpose of the targets statement

The national energy objectives in the national energy laws include a reference to:[1]

> …the achievement of targets set by a participating jurisdiction –
>
> (i) for reducing Australia's greenhouse gas emissions; or
>
> (ii) that are likely to contribute to reducing Australia's greenhouse gas emissions.

The AEMC is required under the national energy laws to publish a list of the jurisdictional targets to be considered when applying the national energy objectives.[2] The AEMC has prepared, and maintains, this targets statement to set out the relevant targets.

In having regard to the emissions component of the national energy objectives as set out above, the market bodies and other relevant entities must consider, as a minimum, the targets in this targets statement.[3]

The MCE and Ministers of participating jurisdictions[4] can provide the AEMC with written directions to include targets in or remove targets from this targets statement from time to time, as required.[5]

The targets statement is set out in two sections, consistently with the emissions component of the national energy objectives:

- Section 1 includes targets for reducing greenhouse gas emissions
- Section 2 includes targets that are likely to contribute to reducing Australia's greenhouse gas emissions.

1 Section 7(c) of the National Electricity Law (NEL); section 23(b) of the National Gas Law (NGL); section 13(b) of the National Energy Retail Law (NERL). The emissions provisions in the national energy objectives were introduced by the *Statutes Amendment (National Energy Laws) (Emissions Reduction Objectives) Act 2023* (SA).

2 Section 32A(1) of the NEL; section 72A(1) of the NGL; section 224A(1) of the NERL.

3 Section 32A(5) of the NEL; section 72A(5) of the NGL; section 224A(5) of the NERL.

4 Note that participating jurisdictions vary depending on the relevant energy law. WA is not a participating jurisdiction under the NEL. WA, NT and Victoria are not participating jurisdictions under the NERL. However, this list includes targets of all jurisdictions, as each jurisdiction is a participating jurisdiction under at least one of the energy laws.

5 Section 32A(2) of the NEL; section 72A(2) of the NGL; section 224A(2) of the NERL.

1 Targets for reducing Australia's greenhouse gas emissions

The economy-wide targets to reduce greenhouse gas emissions (GHG emissions) at the Commonwealth, state, and territory level are summarised in the table below.

Table 1.1: Targets for reducing Australia's greenhouse gas emissions

Jurisdiction	2030 target	2035-2045 targets	2050 target
Commonwealth	43% below 2005 levels	–	Net zero
Australian Capital Territory	65-75% below 1990 levels	90-95% below 1990 levels by 2040 Net zero by 2045	Net zero
New South Wales	50% below 2005 levels	70% below 2005 levels by 2035	Net zero
Northern Territory	–	–	Net zero
Queensland	30% below 2005 levels	75% below 2005 levels by 2035	Net zero
South Australia	60% below 2005 levels	–	Net zero
Tasmania	Net zero (or lower)[a]	–	Net zero (or lower)
Victoria	45-50% below 2005 levels	75-80% below 2005 levels by 2035 Net zero by 2045	Net zero
Western Australia	80% below 2020 levels for government GHG emissions	–	Net zero

Note: [a] Tasmania has been net zero since 2015.
https://recfit.tas.gov.au/__data/assets/pdf_file/0012/313041/Tasmanian_Renewable_Energy_Action_Plan_December_2020.pdf

2 Targets likely to contribute to reducing Australia's greenhouse gas emissions

This section includes government targets that:

- are not expressed in terms of emissions reductions but are likely to reduce emissions, given the nature of the target, and
- have some relevance for the electricity or gas sectors (as they are to be considered by energy market bodies under the energy laws).

This may include targets for:

- renewable energy, including large-scale and small-scale electricity generation and renewable gases such as biomethane and hydrogen
- energy storage or renewable firming services
- electrification, eg of transport, or of domestic or industrial gas consumption
- demand response, including load shifting and demand reduction.

These targets are set out by jurisdiction in the following table.

Table 2.1: Targets likely to contribute to reducing Australia's greenhouse gas emissions

Jurisdiction	Target

Commonwealth	**Supply side:**
	• 2030 target of:
	  • at least 23 gigawatts (GW) of renewable generation capacity; and
	  • at least 9 GW of clean dispatchable capacity
	• National renewable energy target of 82% by 2030
	Demand side:
	• National Energy Productivity Target: improve Australia's energy productivity by 40% between 2015 and 2030

Australian Capital Territory (ACT)	**Supply side:**
	• 100% electricity from renewable generation (achieved)
	Demand side:
	• ACT Zero Emissions vehicle (ZEV) strategy 2022-2030
	  • ZEV sales target for ACT of 80-90% by 2030
	  • No new ICEV into taxi or ride share fleets by 2030
	  • Cease registration of new non-ZEVs by 2035
	  • At least 180 chargers by 2025.

New South Wales	**Supply side:** • 12 GW of renewable generation capacity by 2030 • 28 GW hours of long duration storage by 2034 **Demand side:** • Peak demand reduction of 10% by 2030

Jurisdiction	Target

Northern Territory (NT)	**Supply side:**
	• Not applicable
	Demand side:
	• Northern Territory EV strategy and implementation plan 2021-2026
	  • Increase the number of EVs in NT Government fleet by 20 per year over ten years, totalling 200 vehicles by 2030.
	  • Reduce stamp duty for first time registration of new and second hand EVs in the Northern Territory by $1500 for five years

Queensland	**Supply side:**
	• Targets for percentage of electricity generated in Queensland to come from renewable sources:
	  • 50% by 2030
	  • 70% by 2032
	  • 80% by 2035
	Demand side:
	• Zero Emission Vehicle Strategy 2022-2032
	  • 50% of new passenger vehicle sales to be zero emissions by 2030 and 100% by 2036
	  • 100% of eligible Qfleet passenger vehicles (incl. SUVs) to be zero emissions vehicles by 2026
	  • Every new TransLink funded bus added to the fleet to be a zero emission bus from 2025 in South East Queensland and from 2025–2030 across regional Queensland

South Australia	**Supply side:** • 100% net renewable electricity by 2027 **Demand side:** • 170,000 EVs to be on SA roads by 2030 and 1m EVs integrated into the electricity system over the next 20 years.
Tasmania	**Supply side:** • 15,750 GWh of electricity generated from renewables in a calendar year by 2030 • 21,000 GWh of electricity generated from renewables in a calendar year by 2040 **Demand side:** • Target to convert government fleet to 100% electric by 2030
Victoria	**Supply side:** • Targets for percentage of electricity generated in Victoria to come from renewable sources: • 40% by 2025

Jurisdiction	Target

	• 65% by 2030
	• 95% by 2035
	• Energy storage targets:
	  • Capacity to store and dispatch at least 2.6 GW of electricity at any time, by 2030
	  • Capacity to store and dispatch at least 6.3 GW of electricity at any time, by 2035
	• Offshore wind electricity generation targets:
	  • 2 GW by 2032
	  • 4 GW by 2035
	  • 9 GW by 2040.
	• Gas substitution roadmap
	  • Targeting net zero in gas sector to support net zero in Victoria by 2050
	Demand side:
	• Zero Emissions Vehicle (ZEV) Roadmap
	  • 50% of light vehicle sales to be ZEVs by 2030
	  • Electric vehicle charging stations across Victoria by 2024
	• Solar Homes Program and Solar for Business Program
	  • Over ten years will enable installation of solar homes, hot water systems or batteries on 770,000 homes across the state, resulting in over one million Victoria homes powered by renewable energy

Western Australia (WA)	**Supply side:** • Not applicable **Demand side:** • Not applicable **Note:** As WA does not apply the NEL or NERL, this table does not include WA's EV targets as they are relevant in the context of electricity use, rather than gas.

Abbreviations and defined terms

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
Commission	See AEMC
EV	Electric vehicle
GHG emissions	Greenhouse gas emissions
GW	Gigawatt
GWh	Gigawatt hours
ICEV	Internal combustion engine vehicle
MCE	Ministerial Council on Energy
NEL	National Electricity Law
NEO	National electricity objective
NERL	National Energy Retail Law
NERO	National energy retail objective
NGL	National Gas Law
NGO	National gas objective
RET	Renewable energy target
SUV	Sports utility vehicle
VRE	Variable renewable energy
ZEV	Zero emissions vehicle