

## **BIPARTISAN SUPPORT FOR NATIONAL ENERGY POLICY CRITICAL**

The peak body representing large energy users, the Energy Users Association of Australia (EUAA), cautiously welcomes the federal coalition announcement that they will pursue a National Energy Guarantee (NEG). The NEG seeks to provide a technology neutral platform and deliver reliable, secure and affordable energy to consumers while lowering emissions over time.

“The most critical test for the NEG will be if it achieves bipartisan support as consistent, long-term national energy policy is critical to deliver the certainty that participants need to invest in new energy generation. This is the only way we can ensure affordable, reliable and secure energy moving forward,” said EUAA Chief Executive Officer, Mr Andrew Richards.

The NEG includes two requirements, a reliability guarantee, requiring a certain percentage of dispatchable generation is sourced, and an emissions guarantee, aimed at ensuring we meet our emissions targets. Both appear to require significant regulatory oversight and control while facilitating a highly contracted market for energy and associated services. Therefore, implementation and management of the NEG will not be without its challenges that must be carefully considered.

“The NEG’s focus on energy security is welcomed as is the technology neutral approach that could provide a lower cost option for consumers. However we are wary of the additional, heavy regulatory burden that appears to be placed on the energy industry and what that may mean for competition and long-term energy prices,” said Mr Richards.

“We look forward to learning more about the details of the policy and working with the government on its implementation to ensure the long-term interests of consumers are always the first and last consideration of policy makers.”

The transformation in our energy system over the past ten years has been dramatic and delivered significant increases in renewable energy generation across the National Electricity Network. While this has addressed concerns over Australia’s emissions, this enormous change in our generation portfolio has created challenges that need to be addressed to ensure the security of our network, long term affordability and that the lights can stay on in a reliable manner.

“While more detail is required we urge all policy makers at both state and federal level to consider this suite of policies that borrow heavily from the recent Finkel review recommendations.”

“The EUAA is keeping an open mind in welcoming this policy as the NEG is better than no policy at all and we encourage all sides of politics to work cooperatively with the aim of reaching a bipartisan agreement,” added Mr Richards.

Without a national energy policy in place there has been no signal for investors which has contributed to a reduction in competition in generation and been a critical factor in increasing wholesale energy prices.

The EUAA represents members that deliver essential items to the Australian community every day. Their activities include food processing, plastics manufacturing, mining for raw materials, glass manufacturing, and healthcare.

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