

PRESS RELEASE

FOR IMMEDIATE RELEASE – Thursday 23rd July 2015



Renewing Uncertainty in Power Prices

Australian energy users today expressed dismay at the Federal Opposition's renewable energy share announcement. 'Last month we welcomed the long awaited bipartisan support for a resolution to the renewable energy target, said Phil Barresi CEO of the Energy Users Association of Australia.' 'Yesterday, the Federal Opposition has put the industry on notice that investment uncertainty is set to return.'

The Opposition's plan to increase the renewable energy share to 50 per cent of Australia's electricity consumption by 2030 will bring higher power prices for all consumers, with large energy users carrying a disproportionate share of the cost.

'We cannot inject nearly 30,000 mwt of energy into the system without driving power costs up,' said Mr Barresi. 'Not enough consideration has been given to the ability of the national electricity grid to cope with such a massive increase in renewables.'

The rules governing the operations of the market and investment in the market will force consumers to pay for an ever increasing cost from under-utilised existing electricity assets. 'These assets cannot be junked, cannot be quickly written off and are paid for by consumers and users still in the system,' said Mr Barresi.

'Comparing Australia to other nations' renewable targets is only half the story; it ignores the operations of our unique electricity market,' said Mr Barresi. 'For every business and every household encouraged to withdraw from the grid through self-sufficient renewable energy sources will mean your neighbour pays more. Someone has to pay - and the consumers still operating within the grid will be paying.'

'Rather than political harmony on renewables, we are seeing further evidence of jurisdictional gamesmanship, said Mr Barresi. 'The ACT has a 90 per cent target by 2020, South Australia has a 50 per cent target by 2025, Queensland has a 50 per cent target and now too federal Labor with 50%.'

'All of us believe that renewable energy sources should be part of the energy mix, however the EUAA has strong doubts about the ability of Australia's energy landscape to adapt to such massive change,' said Mr Barresi. 'A massively increased renewables share would cause chaos in our energy markets, even if such an demand were driven by consumers.'

'The Australian industrial economy was built on the back of inexpensive and available energy sources. This is a scheme that will achieve nothing more than squandering whatever residual competitive advantage held by local Australian manufacturers,' said Mr Barresi. 'The energy market needs certainty and energy users need a break.'

The EUAA is the peak industry body for Australia's energy users including manufacturers, retailers and resource based industries.

For interviews with EUAA Chief Executive, Phil Barresi, contact Holly Cardamone on 0412 926 604