

## COAG HEADING IN THE RIGHT DIRECTION ON NATIONAL ENERGY GUARANTEE

The Energy Users' Association of Australia (EUAA), the peak body representing large energy consumers, welcomes progress made today at the COAG Energy Ministers meeting where Federal and State governments have agreed to continue working towards finalising the National Energy Guarantee (NEG).

"While more work still needs to be done, we welcome the bipartisan support for progressing the NEG and congratulate all parties involved for putting the needs of energy consumers first," said EUAA Chief Executive Officer, Andrew Richards.

"We are also pleased to see that the latest high-level design of the NEG largely reflects the issues and desired outcomes that stakeholders, including the EUAA, raised in submissions. We are grateful for the level of consultation and work undertaken to date by the Energy Security Board and hope this will continue in the months to come."

The EUAA had initial concerns with the NEG, especially regarding the additional complexity that it may bring and the impact on competition. We were not convinced that the National Electricity Market (NEM) was broken as some have claimed and that a lighter touch to regulatory reform was needed to avoid a gold-plated solution evolving, locking in higher costs and greater complexity.

"From what we have seen so far, the latest high-level design seeks to make best use of existing markets and risk management tools and will be far less disruptive than first anticipated. This is a very positive move by the ESB and we look forward to working with them on further refinements to ensure that better outcomes for consumers, large and small are the focus."

-ends-

Media Contact: Emily Wood 0421 042 121