



APRIL 18, 2018

KEEP WORKING ON THE NATIONAL ENERGY GUARANTEE

With the COAG Energy Council meeting later this week to consider the National Energy Guarantee, our organisations call for further progress to be made towards designing a workable solution which addresses emissions reduction, reliability, and affordability across our energy system.

Australian industry and households alike require competitively priced energy. Reliable supply is critical to our economy and society. And we all have a stake in achieving Australia's emissions goals to combat climate change. A durable policy settlement to resolve energy and climate policy uncertainty remains essential to delivering on all three aspects of 'the energy trilemma'.

This Friday the COAG Energy Council should ask the Energy Security Board to develop and consult on a detailed National Energy Guarantee design for final Council consideration later in 2018.

While the broad framework of the Guarantee is a plausible basis for compromise by all sides, to earn our support the final design will need to preserve competition; harness existing market structures; operate efficiently and equitably; help deliver the electricity we need at the lowest sustainable cost; be scalable and investment-credible; and from the outset help deliver Australia's long term Paris Agreement emissions reduction commitments. This should be achievable.

There is much more to securing Australia's energy future than just the National Energy Guarantee. The comprehensive Finkel Review framework for reform remains essential. So is dealing fairly with the consequences of ongoing change in the energy sector for affected businesses, communities, households and workers. And beyond electricity, Australia needs an agreed national climate change policy framework for the whole economy.

Making peace in energy policy, however, can do much to unlock investment and deliver affordability, reliability and our emissions goals.

Endorsed by:

Australian Council of Social Service
Australian Energy Council
Australian Industry Group
Business Council of Australia
Cement Industry Federation
Chemistry Australia
Clean Energy Council
Energy Efficiency Council
Energy Networks Australia
Energy Users' Association of Australia
Investor Group on Climate Change
National Farmers' Federation
St Vincent de Paul Society

For further comment contact individual organisations.