

MORE FLEXIBLE GENERATION AN IMPORTANT PIECE IN THE NEW ENERGY MARKET

With the energy market undergoing an unprecedented transition, last week's announcement of Federal funding to support Genex Power to build a pumped hydro power station in North Queensland represents a pragmatic step towards a more flexible and secure energy system. More flexible generation technologies like pumped hydro will play an increasingly important role in the energy mix sitting alongside renewable energy, emerging storage technologies and existing thermal generation.

"The increasing amount of variable energy in our grid puts pressure on other power stations to be more flexible," said Energy Users Association of Australia (EUAA) Chief Executive Officer, Mr Andrew Richards.

"We welcome this announcement and encourage governments to support technologies that are fit for purpose and that help manage the energy market transition."

While this announcement is welcomed, the absence of an overarching national plan is still concerning. Investors, power infrastructure owners and changes in consumer preference are all key drivers of the inevitable transformation of our energy system. This transition can be chaotic and costly or managed and efficient.

"The best way to manage the transition of our energy market and keep costs down is through a planned national approach that takes advantage of market trends," said Mr Richards.

"State and Federal governments must begin to coordinate this planned national approach as more chaos will only lead to higher energy bills and a less secure energy system."

The EUAA represents large energy users with energy bills in excess of \$1 million each year – and some with bills of \$1 million per day. It has been calling for national energy policy for some time, supporting the National Energy Guarantee.

EUAA member companies manufacture and deliver essential goods and services used by the Australian community every day and include food, building materials, paper, plastics and health products. Their combined bills equate to billions of dollars a year. The trebling of energy costs in recent years has put enormous pressure on these businesses with some being forced to consider their future operations in Australia.

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