

EUAA WELCOMES CEFC FUNDING TO SUPPORT GRID AND ELECTRICITY MARKET EVOLUTION

With electricity costs one of the top three biggest costs cited by large energy users, increased funding for the Clean Energy Finance Corporation (CEFC) to share the costs of the evolution of our grid is welcomed by the Energy Users Association of Australia (EUAA).

“As we undergo a huge shift to increasing penetration of decentralised and variable energy, a number of issues are emerging in our electricity markets that need to be urgently addressed if we are to manage reliability, security and affordability of supply,” said EUAA Chief Executive Officer, Mr Andrew Richards.

“We welcome the Federal Government’s increased funding for the CEFC to support infrastructure that is flexible enough to complement the new renewable generation that is entering our electricity markets and expansion of the grid.”

“The shift we are seeing in electricity generation both in its decentralised nature and its variability requires the grid to be managed differently and other generation sources to be able to complement the variable energy. Substantial and expensive grid expansion is required to connect everything together.”

The EUAA has been advocating for the costs and risks of rewiring the grid to be shared across all stakeholders who benefit. This new funding for the CEFC is a welcome response to these concerns.

“The evolution of our grid is dramatic and ongoing and we must adapt to this new environment in order to ensure energy consumers can rely on supply and ensure it is delivered at an affordable price. Creating opportunities to share costs is important to enabling electricity to continue to be reliable, affordable and secure for all energy users,” added Mr Richards.

The EUAA represents large energy users, some of whom who are spending \$1 million per day on energy. Many large energy users are seeking solutions to rising energy costs and have invested billions into energy efficiency, system upgrades, storage, renewable energy, demand response and many other measures with the aim of reducing energy consumption and costs.

Large energy users who are producing essential goods and services, foods, building materials, paper, plastics and raw materials are under increasing pressure from energy bills. Greater grid instability increases costs for everyone and every effort must be made by all parts of the energy system to ensure coordination of programs as we undergo a dramatic shift in generation to ensure efficient costs and keep system risk as low as possible.

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