

TARGETED SUPPORT A STEP IN THE RIGHT DIRECTION

Welcoming today's joint announcement from the Federal and NSW Governments that support a range of initiatives intended to improve energy flow and flexibility, increase domestic gas supply, integrate renewable energy and enhance reliability in NSW, the Energy Users' Association of Australia (EUAA) said that this kind of joint agreement and collaboration is critical to overcome some of the many challenges in our energy markets.

"It's terrific to see this kind of collaboration between the Federal and State Governments and we hope this approach will continue to be applied across other states," said EUAA Chief Executive Officer, Mr Andrew Richards.

"Targeted support combined with increased coordination between jurisdictions is essential if we are to create efficient and reliable energy markets."

Australia's electricity market is undergoing an enormous transition that is seeing our centralised electricity system become decentralised and more variable. This requires significant, cost effective investment in infrastructure to make the grid more flexible.

"With gas prices and gas availability still a challenge, the announcement of support to increase gas volume in NSW will help gas intensive manufacturers. Gas prices are not sustainable for manufacturers at their current levels and increasing supply will provide part of the solution."

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, energy switching, storage, renewable energy, demand response and many other measures with the aim of reducing energy consumption and costs. But many of the issues in our energy markets are difficult to overcome without government policies and support.

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. Increased gas costs have impacted many energy users with some commenting that they are 'working for the gas company' due to prices being so high.

"While today's announcement from the Federal and NSW Governments will help to reduce some of the pressure that many businesses feel, it is not a replacement for long term climate and energy policy that is so desperately required in Australia."

"While we hope this will not be the last state and federal partnership created to overcome some enormous challenges that we need to solve, we also encourage the Federal Government to find a way to create stable energy and climate policy to create the foundation of long-term investment certainty" said Mr Richards.

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