

## VICTORIAN GOVERNMENT TO IGNORE THE RULES. IS THIS VICXIT FROM THE NEM?

The peak body representing large energy users in Australia, the Energy Users' Association of Australia (EUAA) are very concerned with the Victorian Government's reported plan to ignore energy market rules and 'go it alone' on grid augmentation.

"While there is certainly potential to improve the rules governing the energy market and regulated grid investments, they are in place to protect consumers from poor decision made by others," said EUAA Chief Executive Officer, Andrew Richards. "If the Victorian government want to have their version of Brexit, a Vicxit, and bypass important consumer protections and ignore the rules, how will consumers be protected?"

The current summer season has delivered brutal blows to many communities with devastating bushfires, floods and extreme weather. Energy networks that deliver power to communities are always at risk during extreme weather and bushfires and just building more of them does not mean that reliability of supply will be better protected.

Equally, if there has been an overbuild of renewable energy in parts of the grid that is now impacting the financial viability of these generators, then consumers shouldn't be asked to bail them out by paying for their grid upgrades.

"Consumers shouldn't wear the risk and costs of investment decisions made by others. It's a simple principle, you break it, you fix it," said Mr Richards.

"It is unclear what changes the Victorian Government is proposing to make as these have not been detailed," added Mr Richards. "We will be seeking clarification to better understand which aspects of the *National Electricity (Victoria) Act 2005* the government is proposing to alter and their impacts on consumers."

The National Electricity Market was set up to deliver in the long-term interests of consumers. Independent oversight and rigorous financial assessment by the Australian Energy Regulator (AER) are critical aspects of sound governance of the energy market and we should all be concerned if there is a proposal which may enable changes to be made that avoid independent scrutiny and which are not in the interest of consumers.

"If key consumer protections are being bypassed then you cannot expect consumers to foot the bill," concluded 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.

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