

MARKET PARTICIPANTS NOT GOVERNMENTS SHOULD BE REQUIRED TO ENSURE ENERGY SUPPLY IS FIT FOR PURPOSE

While the addition of a big battery in western Victoria will help stabilise the grid and add new flexibility and fast response capabilities, the peak body representing large commercial and industrial energy users, the Energy Users' Association of Australia (EUAA) are concerned about growing levels of government intervention in energy markets.

“The energy market is undergoing unprecedented change with large volumes of variable energy creating new grid stability issues that must be resolved,” said EUAA Chief Executive Officer, Mr Andrew Richards.

“It is clear that technologies like batteries will be needed to work along-side renewable energy to keep the system stable as they can respond very quickly to changes in wind and solar output.”

While understanding the desire of government to assist the energy market transition, and at times some short-term intervention may be justified, the EUAA would prefer that a long-term framework is developed that ensures market participants, not governments, take primary responsibility for delivering energy that is fit for purpose so that that doesn't cause grid stability or system strength issues.

“We firmly believe it is the responsibility of market participants to ensure they provide a product that is fit for purpose and that all the costs of the provision of energy should in the first instance be borne by supplier. Therefore, we think that market participants should be required to meet strict connection and operational standards to deliver energy to the market that does not have negative consequences.”

There are many important changes taking place in energy markets, with much planning underway at present for the post 2025 market design and the Integrated System Plan as well as rule changes and regulations.

“The EUAA remains concerned that energy consumers are being expected to carry much of the risk and cost of the transition taking place in energy markets. We will continue to advocate for a more equitable cost sharing arrangement along with increased transparency and accountability of industry participants and governments, especially when they incur costs on behalf of consumers.”

The EUAA is the peak body representing Australian commercial and industrial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing, food and materials processing industries.

Combined EUAA members employ over 1 million Australians, pay billions in energy bills every year and expect to see all parts of the energy supply chain making their contribution to delivering affordable, reliable and sustainable energy supplies.

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