

EUAA WELCOMES ESB OPTIONS PAPER

The much-anticipated options paper from the Energy Security Board represents a herculean task of redesigning our energy markets and is welcomed by the Energy Users' Association of Australia (EUAA).

“The EUAA congratulates Dr Kerry Schott AO and her team who have worked tirelessly under enormous pressure, consulting widely and considering a range of options and issues. In particular we welcome the focus on energy consumers and how they can better participate in energy markets,” said EUAA Chief Executive Officer, Mr Andrew Richards.

“We look forward to participating in the planned engagement activities over the next few weeks leading up to the presentation of the final proposals to Energy National Cabinet Reform Committee.”

The paper highlights the challenging situation facing the National Electricity Market (NEM) as we manage the unpredictable exit of coal fired power stations as behind and in front of the meter renewables expand at an increasing rate. Failure to manage this efficiently could lead to a significant increase in costs to consumers. In this context, we welcome the ESB's proposal to develop national principles for state sponsored generation investment schemes. The risk of uncoordinated State schemes that ignore the benefits of the NEM is much higher costs for consumers.

We also welcome the focus on a national approach to developing Renewable Energy Zones (REZ). Large commercial and industrial energy users have called for a fair allocation of costs as our electricity system attracts a large number of private renewable energy developers. “Importantly costs need to be managed carefully so that we don't simply see windfall gains for private developers in the identified REZs without a measurable benefit to energy consumers.”

The EUAA supports the rigor provided by the Regulatory Investment Test (RiT-T) for new network investment and do not wish to see that weakened in any way. We strongly support the recent AEMC decision to reject the rule change around financing large transmission projects and would not want to see that reversed.

“The consideration of how different parts of the system need to adapt and at what speed, as well as to minimise the costs of AEMO intervention is critical if we are to ensure that our energy market continues to be sustainable, affordable and reliable for all energy users,” said Mr Richards.

The EUAA is the peak national body representing major Australian electricity and gas users. Membership covers a broad cross-section of the Australian economy including significant retail, mining, manufacturing, healthcare, raw materials and food processing industries producing many essential items used by the Australian community every day.

Combined, EUAA members employ over 1 million Australians, pay billions in energy bills every year and are desperate to see a national energy and climate change plan that puts downward pressure on electricity and gas costs.

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