

## FEDERAL AGREEMENT WITH SA CREATES A MORE COORDINATED RESPONSE TO ENERGY TRANSITION

The announcement of a partnership between the Federal and South Australian governments to support the transition of energy markets is welcomed by the Energy Users' Association of Australia (EUAA). The broad ranging plan that will assist the integration of renewables into the NEM, including some initial financial support for the new interconnector, Project Energy Connect, along with a suite of other initiatives including more gas for SA energy users is positive. While government assistance is welcomed, this plan must be used to encourage more private investment in our energy markets.

“We are undergoing a significant transition in our energy markets that requires all levels of government to be working cohesively while supporting continued investment by private players. The costs of this transition will be significant and partnerships like this to jointly fund projects is critical in managing costs and risks for consumers,” said EUAA Chief Executive Officer, Mr Andrew Richards.

While some initial funding to support early stage development of Project Energy Connect is positive we must remember the cost has gone up by almost 60% and it is yet to achieve final approval by the Australian Energy Regulator.

“It may be that additional measures will be required to support this new interconnector including a cost sharing arrangement that would see generators pay some of the cost. We think this is fair given they will be a major beneficiary of the project.”

Support for new low emission technologies such as hydrogen and increased gas supply for energy users to address the expected shortfall in FY23/24 represent a positive step forward as all of these areas are critical in the transition to a low carbon future.

“Fast tracking additional gas supplies is of critical importance to large industrial energy users and we would encourage governments to use this as an opportunity to enhance competition in the national gas market.”

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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Media Contact: Emily Wood 0421 042 121