

EUAA WELCOMES NEXT STAGE OF ESB CAPACITY MARKET DESIGN PROCESS AND A TECHNOLOGY NEUTRAL APPROACH

Australia's leading advocate for large commercial and industrial energy users, the Energy Users' Association of Australia (EUAA), welcomes the release of the Energy Security Board's (ESB) *Capacity Mechanism High-Level Design Consultation Paper* as a pragmatic, technology neutral approach.

"The ESB's critical role in designing a post 2025 market has come into sharp focus in recent weeks and we welcome this latest paper that provides the next important phase in a very complex and challenging process," said EUAA Chief Executive Officer, Mr Andrew Richards.

"Achieving net zero targets is the right thing to do but it will be hard and expensive. Working through the machinations of how to transition the energy market in a least cost way while ensuring minimal disruption to consumers is not an easy task and we congratulate the work of the ESB, recognising that there is still a long way to go."

The current flux in East Coast energy markets has highlighted the need to focus on customers' needs for affordable, reliable power and the challenges that exist in transitioning our energy markets to an increased volume of variable renewable generation.

"The last few weeks have provided a window into a potential future if we don't manage the transition to net zero. We will need a combination of new and existing technologies to play their role in the coming years if we are to achieve net zero at least cost."

"We are sure this latest paper will create a lot of debate but we urge all states and territories to work constructively together and come to an agreement to ensure the best outcome for consumers," said Mr Richards.

"The transition to zero carbon energy is challenging so we must keep an open mind and ensure we work with the greatest breadth of options possible today, while keeping our minds open to new and emerging options, to ensure consumers have access to affordable and reliable energy supply when it is needed."

The EUAA is the peak body representing Australian industrial and commercial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing and materials processing industries. Combined EUAA members employ over one million Australians, pay annual energy bills in the many billions of dollars and support the development of a lasting 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