

EUAA WELCOMES FEDERAL GOVERNMENT EXPANSION OF CAPACITY INVESTMENT SCHEME

The Federal Government's announcement of an extensive expansion of the Capacity Investment Scheme (CIS) is welcomed by leading advocate for commercial and industrial energy users, the Energy Users' Association of Australia (EUAA). While more detail design work is yet to come, the enhancements are expected to encourage substantial additional investment in renewable energy generation and storage that will help the nation move towards achieving net zero targets while minimising the pressure on consumer bills.

"We welcome the announcement from the Commonwealth as it should provide a level of certainty for investors and consumers in these highly volatile times. We expect this approach will help facilitate the deployment of renewable energy and storage technology while working to shield Australian households and business from significant increases in energy costs," said EUAA Chief Executive Officer, Andrew Richards.

"Over time we hope the measures announced today will eventually put downward pressure on energy costs while managing the transition to a net zero energy system in a more coordinated way. Rather than taking over the energy market or throwing money at problems that don't exist, this is a pragmatic response by the Commonwealth that helps facilitate private investment while maintaining the primacy of a competitive energy market."

"To achieve net zero, we will need to rebuild our entire energy system. And while much of the rest of the world is looking to decarbonise their energy system at the same time, putting unprecedented pressure on supply chains, an expansion of the CIS will provide a strong signal to private investors that many of the risks they are facing will be managed," added Mr Richards.

Reaching net zero will take unprecedented investment, better coordination between state and federal governments and a resolution of supply chain and social licence issues. "The expansion of the national Energy Transformation Project to better coordinate the transition is also a welcomed addition," said Mr Richards.

"The EUAA and its members look forward to working with governments on the details of the announcement today to ensure its success and deliver a smooth roll out. Working towards net zero is in all of our interests and will deliver benefits to all consumers, but only if we deliver it at least cost."

The EUAA is the peak body representing Australian industrial and commercial energy users. EUAA 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