

## A SUCCESSFUL ENERGY TRANSITION REQUIRES MORE THAN JUST ZERO EMISSIONS ENERGY

The Energy Users' Association of Australia (EUAA) welcomes the Australian Energy Market Operator's (AEMO) Transition Plan for System Security, which clearly outlines the technical issues that must be resolved if we are to maintain a fit for purpose energy system as we transition to net zero.

"A successful transition to net zero requires much more than simply building lots of renewables, batteries and transmission lines," said EUAA CEO, Andrew Richards.

"The AEMO Transmission Plan for System Security is an excellent piece of work by the market operator and clearly calls out the challenges associated with maintaining the technical and physical health of the energy system during a phase of rapid transition."

The AEMO report identifies numerous challenges including the need for better coordination of the exit of existing thermal generation and the need to not only replace the generation capacity but all of the critical system strength services that will be lost. It also highlights the challenges of minimum system load at times when we have too much solar PV and the need for orchestration of consumer energy resources such as solar PV, batteries and EV's.

"The report shows that much more work needs to be done if we are to maintain a healthy energy system, so we hope governments, investors and the energy industry are paying attention so that ambition doesn't run ahead of the physics of a reliable and secure energy system."

The report also identifies that more investment is needed in specific forms of gas peaking plant, synchronous condensers and grid forming batteries as key components of the technical solution.

"If we don't invest in the right technology to compliment what we are already doing and if we can't orchestrate consumer energy resources then the energy system will fail, meaning the transition to a largely decarbonised energy system will also fail."

"Policy supporting the deployment of wind, solar and batteries on its own will not deliver the energy system we need and this latest AEMO report clearly calls out the need to balance ambition with the physical and technical realities of our energy system; policy makers and industry participants would do well to heed this advice."

The EUAA is a leading advocate for large commercial and industrial energy users that promotes solutions-focused collaboration to ensure Australia has reliable, affordable and sustainable energy. These core issues are relevant to all Australian energy users, big and small.

*The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our members are the engine room of the Australian economy, producing many of the products that households and business use every day including bricks, glass, steel, aluminium, paper, food and beverages. Combined our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.*

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Media Contact: Emily Wood 0421 042 121