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ENERGY SECURITY BLUEPRINT WILL REQUIRE ACCOUNTABILITY

The Finkel Review's Energy Blueprint can make Australia's energy system stronger if there is clear accountability for implementation, Energy Networks Australia CEO John Bradley said today.

"The greatest single risk to an efficient and secure energy transition is conflicting government policy and regulation in a national market," Mr Bradley said.

"The Finkel Review is a watershed opportunity to reach agreement on a national approach to energy policy and regulation.

"However, energy customers need governments and industry to follow through, where too many reforms have sat idle.

"Developing the Blueprint for security, affordability and sustainability is hard enough but we also need to fix a broken governance system which doesn't follow through and is mired in politics."

Energy Networks Australia's submission to the Finkel Review rejects calls for a ban on more 'variable renewable energy' being connected in key National Energy Market (NEM) regions. But it also warns State targets should not be pursued without better analysis of the possible impacts on energy security.

"Arbitrary State targets to drive in additional variable renewable energy in key jurisdictions should not be implemented without assessing potential system stability issues and planning for contingencies," the submission states.

The Energy Networks Australia submission makes six key recommendations:

1. The Review Blueprint should strengthen Australia's institutional capacity and build in measures to ensure implementation is 'followed through'.
2. Technology neutrality and flexibility, rather than prescription will deliver better customer outcomes.
3. Incentives play an important part in the energy market transformation
4. There are multiple pathways to deep decarbonisation
5. Gas has a significant role to play in Australia's energy system
6. Transmission interconnection is vital to creating a renewable energy future

The submission recognises that COAG Energy Council has received similar reviews which are still awaiting implementation.

Mr Bradley said the submission recommends the Blueprint be expanded into a plan of action, with concrete timeframes, actions and accountabilities.

"The Blueprint can promote innovation throughout the supply chain if it takes a technology neutral approach rather than trying to find 'silver bullets'," he said.

“While it may seem hopeless today, Australians can achieve reliable, affordable power and achieve zero net carbon emissions over time, as demonstrated in a recent Roadmap by Energy Networks Australia and CSIRO.”

The *Electricity Network Transformation Roadmap* highlights the need for collaborative action by industry and government on stable national carbon policy, pricing reform and standards for new energy technologies.

“Maintaining power system security is likely to require a mix of solutions which are currently not valued in our outdated market frameworks,” Mr Bradley said.

“Stronger interconnection between states and gas-fired generation should be valued for their security benefits, while frequency can be stabilised by large scale battery storage, transmission equipment and other assets.”

The Network Transformation Roadmap recently found that by 2050, more than 10 million Australian customers could also own distributed resources like solar and storage which they use to sell services to the grid, worth \$2.5 billion per year.

By paying customers to use their distributed energy resources, energy networks can avoid \$16 billion in network infrastructure investment would also be avoided and network charges reduced by 30%.

Mr Bradley said State Government bans on gas development were threatening power system security, as generators need sufficient commercial confidence to underwrite plant availability and gas contracting.

“Cost effective interconnection also has a role to play. It’s recognised internationally as a key solution to manage the integration of variable renewable energy efficiently and securely,” he said.

“There needs to be clear market drivers to allow the transformation of Australia’s energy sector to take place.

“The Finkel Review Blueprint can provide the foundations for the cleaner, reliable and affordable energy system that Australian energy customers are looking for.”

The Energy Networks Australia submission to the *Independent review into the future security of the National Energy Market* can be downloaded [here](#).

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Energy Networks Australia represents Australia’s electricity transmission and distribution networks and gas distribution networks. Our members provide energy to virtually every household and business in Australia.