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## **Ensuring climate change action is reliable, efficient and on target**

The Energy Networks Association (ENA) has welcomed ALP commitments to strong action on climate change and the need to develop robust implementation frameworks in Government.

ENA CEO, John Bradley, said Australia's gas and electricity networks can enable the higher abatement targets sought in Labor's Climate Change Action Plan, but the outcomes for customer bills and reliability would depend on key implementation measures.

"We welcome key measures that focus on abatement outcomes – such as vehicle emissions standards and emissions trading in the electricity generation sector," Mr Bradley said.

"We can see opportunities for this to evolve from the current policy frameworks and achieve more enduring carbon policy, which doesn't change at every election."

Mr Bradley said the ENA supported policy frameworks that would achieve carbon abatement targets at least cost for customers, while carefully managing energy safety, security and reliability.

"It's too soon to judge how an ETS focussed on lowering emissions efficiently would work together with a specific renewable energy target of 50%," Mr Bradley said.

"It will be critical that the consultation to finalise the 50% target mechanism carefully evaluates options based on the outcomes for customer energy bills, energy productivity and reliability of supply.

"With rapid falls in renewable technology costs, there's no doubt Australia will see significant increases in large scale and small scale renewable generation.

"Renewable energy will play a key role, but it's just one tool in the 'toolbox' of energy sector abatement, which also includes demand management, low emission fuels like gas and biofuels, and carbon capture and storage."

Mr Bradley said Labor, if elected in July, should consult on the additional consumer benefits and costs achieved by setting a 50% renewable energy target, in addition to the ETS.

"An ETS should result in an efficient generation mix for achieving Australia's abatement targets. While this might see 50% of generation from renewable sources, is there any benefit for customers in setting the figure today?"

Mr Bradley said recent analysis for the ENA by Jacobs on carbon abatement policy options had shown that a move to technology neutral carbon policy could save a typical residential electricity customer \$234 per year, while still meeting Australia's emissions reduction targets.

Mr Bradley said the analysis indicated the cost to the community of a 50% renewable energy target was likely to be higher than a 'level playing field' approach to carbon abatement.

Mr Bradley welcomed Labor's recognition that planned changes in the generation mix would require an assessment of the "overall reliability and affordability of supply in the market".

“Australia is already leading the world in high penetration of intermittent generation at large and small scales and this will stretch our system operations,” Mr Bradley said.

“With an efficient and national carbon policy, our electricity and gas grid can provide an enabling platform for the energy transformation.”

The Energy Networks Association welcomed the consultative approach to the development of the ALP climate policy in discussion with customers, stakeholders and regional communities.

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The Energy Networks Association is the peak national body representing Australia’s electricity transmission and distribution networks and gas distribution networks on economic, technical, environmental and safety regulation, and national energy policy issues. ENA members provide energy to virtually every household and business in Australia.