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New National Energy Compact a priority for Federal Ministry

The Energy Networks Association (ENA) has urged the Federal Minister for Environment and Energy to seek a renewed national compact on energy and carbon policy at the forthcoming COAG Energy Council meeting.

ENA Chief Executive Officer, John Bradley, welcomed the appointment of a single Federal Minister for Environment and Energy.

“This is an enormous opportunity to achieve true integration in Federal carbon and energy policy, but competing State and Federal policy settings are also increasing risks to customers at a time of dynamic change,” Mr Bradley said.

“Our grid can enable a low carbon future without compromising reliability and security - but policy uncertainty creates an unfortunate layer of price and security hazards for customers.

“Other countries have looked at our National Energy Market with envy, but the NEM could drown under the weight of competing State and Federal carbon and renewables policies.

“We urge the Federal Minister to reconvene the COAG Energy Council so Governments can recommit to a national compact on energy and carbon policy.”

Mr Bradley said too many national reforms had remained in the ‘too hard’ basket, while individual States were failing to take account of flow-on impacts at a national level.

“Australia is yet to achieve national consistency in critical areas like consumer protection frameworks, energy pricing or coal seam gas development,” Mr Bradley said.

“Our energy system can respond to climate risks and technology risks, but it can’t deal well with constant policy or regulatory risk.”

The ENA urged the next COAG Energy Council to focus on the following priorities:

- Better integration of carbon and energy policy across State and Federal borders;
- A constructive, bipartisan agreement on the transition of the Emissions Reduction Fund Safeguard Mechanism to a technology-neutral ‘baseline and credit’ scheme;
- The removal of unnecessary roadblocks to the timely development of new gas supply sources to reduce price risk to industry, businesses and households; and
- Implementing outstanding governance reforms promised in December 2015.

Mr Bradley welcomed the recently announced review of power system security by the Australian Energy Market Commission and shared initiatives with the Australian Energy Market Operator.

“Australia’s energy challenges require national, interconnected solutions – and we have national emissions reduction targets that need to be achieved.

“Our national energy institutions can support State and Federal governments in maintaining security and affordability in a low carbon future, but it will require a commitment to look beyond state borders.”

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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.