



19 August 2016

COAG acts for stronger, cleaner energy system

A COAG Energy Council decision to expedite the assessment of a new interconnector between New South Wales and South Australia can help Australia’s energy system to be stronger, cleaner, sooner.

Energy Networks Association (ENA) Chief Executive Officer John Bradley welcomed the decision by Ministers to assess the interconnector without delay.

“Australia’s energy system is changing faster than the regulatory framework can keep up – so we welcome Ministerial support for an early but rigorous assessment of the interconnector,” Mr Bradley said.

“Early analysis indicates the interconnector could provide substantial benefits to electricity customers – given high prices in South Australia and surplus capacity in New South Wales.

“We also welcome the decision to review the regulatory investment test for transmission to ensure it is effective.

“All infrastructure must demonstrate its benefits, but we know that a cleaner energy future will rely on an efficient and interconnected grid.

“Greater interconnection in the NEM can improve wholesale market competition and support intermittent renewables with low emission energy sources, like gas-fired generation, and new technologies, like battery and solar thermal storage.”

Mr Bradley said the ENA welcomed the agreement of all Energy Ministers – other than Victoria – on an implementation plan to increase onshore gas supply by addressing regulatory and scientific issues.

“Governments must remove unnecessary barriers to new sources of gas supply. It is surprising Victoria has not joined other States, given it is more exposed with its manufacturing sector, and large household gas consumption.”

The ENA congratulated Energy Ministers for agreeing to pursue better integration of carbon and energy policies across State boundaries.

“Many of our current challenges are a direct result of narrow policy development without assessing system impacts. We welcome the decision to assess the economic and operational impacts of existing State and Territory emission reduction policies.”

“There is strong evidence that poorly coordinated emissions policy will push up costs to households and businesses – and technology neutral policies can save customers over \$200 per year from 2020 to 2030.”

Mr Bradley said the meeting was a step in the right direction, but the test would be on-ground outcomes.

“We have seen agreements before to integrate carbon policy, unlock gas supply and reform tariffs. Australia is running out of time to deliver for customers in a rapidly changing market.”

-Ends-

Media Contact: Simone Reading sreading@ena.asn.au 02 6272 1524 or 0447 569 029

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.