

# COAG Energy Council

Meeting Communique

Friday, 7 October 2016

## ENERGY MINISTERS MET TODAY FOR AN EXTRAORDINARY ENERGY COUNCIL MEETING

*Ministers have met in an extraordinary meeting following the complete loss of power in South Australia on 28 September 2016.*

*The 'black system event' has prompted questions about the security of the National Electricity Market.*

*Ministers agreed that their primary responsibility is to ensure the security, reliability and affordability of the energy system for all Australians.*

### INDEPENDENT REVIEW TO DEVELOP A NATIONAL ELECTRICITY MARKET BLUEPRINT

Given the critical importance of energy security, reliability and system resilience, the Council agreed that it is timely for a wider independent review to take stock of the current state of the security and reliability of the national electricity market and provide advice to governments on a coordinated, national reform blueprint.

The review will draw together and build on recent and ongoing work streams, including by the Australian Energy Market Operator, the Australian Energy Market Commission, the Australian Energy Regulator and gas market reforms.

In light of this body of work, the Australian Government's commitment at Paris and the integration of climate and energy policy at the federal level, the blueprint will outline national policy, legislative, governance and rule changes required to maintain the security, reliability, affordability and sustainability of the national electricity market.

The review will be led by the Chief Scientist, Dr Alan Finkel AO. The Terms of Reference are available [here](#).

It is envisaged a preliminary report will be prepared for the COAG Energy Council in December, before going to the COAG Leaders' Meeting, with a final report early in the new year.

### THE 'BLACK SYSTEM EVENT'

AEMO provided a briefing to the Council on its preliminary findings on the event in South Australia. AEMO reported that:

- On the afternoon of 28 September a weather front, including high winds, thunderstorms, lightning strikes, hail and heavy rainfall moved through SA
- The weather resulted in multiple transmission failures, including the loss of three major 275 kV lines north of Adelaide
- Generation initially rode through the faults but at around 16:18 AEST the system went black
- Restoration of electricity supply commenced in Adelaide at 19:00 AEST and by midnight, 80 – 90 percent of supply was restored.

AEMO will continue to provide more detailed analysis of the facts and recommendations on steps that can be taken to ensure the resilience of the system against similar events.

The Council also heard that ongoing impacts on South Australia have included energy shortages for large industrial users.

## TRANSMISSION AND INTERCONNECTION INFRASTRUCTURE

Given the collapse of transmission lines on 28 September, the meeting also received a briefing about the standards and regulatory regime that relate to the structural integrity of transmission infrastructure.

Discussion included background on how the current system of standards and regulation operates. The Council agreed that the security and reliability of transmission infrastructure will be considered as part of the independent review to develop a national electricity market blueprint.

On interconnection, the Council noted the important ongoing work in this area examining the regulatory investment test for transmission assets due to report to Council by the end of the year. There was also acknowledgement of the important study being undertaken jointly by the Australian and Tasmanian governments into the potential for a second Bass Strait interconnector between Tasmania and Victoria.

The New South Wales and South Australian governments also agreed to work with local transmission network businesses to expedite the process for assessing interconnection between the two.

## AEMC REVIEW OF SYSTEMIC ISSUES

The Council has agreed to direct the AEMC to review the events in South Australia building on the technical work currently being conducted by AEMO and the AER.

## INTEGRATION OF ENERGY AND CLIMATE POLICY

Council noted the importance of integrating energy and climate policy at the federal level and the Federal Government's commitment to the Paris targets.

In the context of the changing energy mix, the Council discussed the challenges and potential solutions of integrating a greater share of intermittent renewable energy into the national electricity market while maintaining security and supply. The Council was briefed by the AEMC and AEMO. This included a discussion about the different state renewable energy targets.

The Council agreed that AEMO will provide it a 6 monthly update on the implications on security and reliability of current and proposed investment in the national electricity market.

## CSIRO UPDATE ON ELECTRICITY TRANSFORMATION ROADMAP

The Council received an update from CSIRO on its work on the future of the electricity transmission network. CSIRO highlighted some of the challenges and potential solutions for increasing transmission network scale storage, and how batteries and intelligent control systems can assist with grid reliability and security.

## Membership

The COAG Energy Council comprises Commonwealth, State, Territory and New Zealand Ministers responsible for energy and resources.

Commonwealth (Chair)	The Hon Josh Frydenberg MP Minister for the Environment and Energy
Commonwealth	Senator the Hon Matthew Canavan Minister for Resources and Northern Australia
New South Wales	The Hon Anthony Roberts MP Minister for Industry, Resources and Energy
Victoria	The Hon Lily D'Ambrosio MP Minister for Energy, Environment and Climate Change
	The Hon Wade Noonan MP Minister for Industry and Employment
Queensland	The Hon Dr Anthony Lynham MP Minister for Natural Resources and Mines
	The Hon Mark Bailey MP Minister for Energy and Water Supply
Western Australia	The Hon Sean L'Estrange MLA Minister for Mines and Petroleum
	The Hon Dr Mike Nahan MLA Minister for Energy
South Australia	The Hon Tom Koutsantonis MP Minister for Mineral Resources and Energy
Tasmania	The Hon Matthew Groom MP Minister for Energy
	The Hon Guy Barnett MP Minister for Resources
Australian Capital Territory	Mr Simon Corbell MLA Minister for the Environment
Northern Territory	The Hon Kenneth Vowles MLA Minister for Primary Industry and Resources
New Zealand	Hon Simon Bridges MP Minister of Energy and Resources

### COAG Energy Council Secretariat

Telephone: (02) 6274 1668

Email: [energycouncil@environment.gov.au](mailto:energycouncil@environment.gov.au)

GPO Box 787, Canberra ACT 2601