

MEDIA RELEASE

Call for public submissions on National Energy Guarantee

The first public consultation paper for the National Energy Guarantee (Guarantee) has today been released by the independent Energy Security Board (ESB).

The guarantee's intention is to deliver more reliable, affordable and cleaner energy to Australian consumers.

The ESB is chaired by Dr Kerry Schott, and includes Deputy Chair Clare Savage, Australian Energy Market Commission Chair John Pierce, Australian Energy Market Operator Chief Executive Officer Audrey Zibelman, and Australian Energy Regulator Chair Paula Conboy.

The Board is implementing the COAG Energy Council's mandate to deliver a lower emissions, reliable power system with enough electricity available when needed, at the lowest possible price.

"The National Energy Guarantee is focussed on the key issues raised by the Finkel review; the need to improve system reliability, cut power prices; and reduce emissions," Dr Schott said.

"It's an obligation on retailers to do two things – to make sure the energy they are purchasing meets emissions reduction targets for the electricity sector and to meet dispatchability requirements in each region.

"The National Energy Guarantee would integrate energy and climate change policy for the first time. This will give investors the much needed certainty they have been lacking over the last decade.

"Under the proposed mechanism, energy sector development could continue confidently with emissions and reliability objectives implemented in lockstep under the rules," she said.

The guarantee produces a clear investment signal so the cleanest, cheapest and most reliable generation gets built in the right place at the right time," Dr Schott said. "It can also signal opportunities for demand response which may help reduce the need for costly new generation infrastructure."

The Guarantee was considered by the COAG Energy Council at its last meeting in November 2017 which agreed that further development work and public consultation should be conducted.

"We are seeking feedback from stakeholders on the high level design of the mechanism's reliability and emissions component," Dr Schott said.

"While the Federal Government will set the emission target itself we need stakeholder inputs on how contracting and compliance associated with meeting annual electricity emissions targets will work in practice.

"Reliability requirements will be set for each region across the whole power system, and we welcome contributions exploring the effectiveness of proposed incentives for investment in dispatchable energy and compliance arrangements."

The release of this paper is the first step in a consultation process that will occur over coming months.

The ESB will provide a draft high level design to the COAG Energy Council in early April, ahead of the COAG meeting later that month where ministers will consider the report.

A stakeholder forum and webinar will be held on 26 February 2018.

Submissions on the consultation paper are due on 8 March 2018.

To arrange an interview with Dr Schott, please contact 0409 382 121, or email media@aemo.com.au