

# COAG Energy Council

Meeting Communique

Monday 10 April 2017

## ENERGY MINISTERS MET TODAY VIA TELEPRESENCE FOR THE TENTH COAG ENERGY COUNCIL MEETING

*Energy Ministers met to discuss their top priority of ensuring the security, affordability and sustainability of the National Electricity Market.*

*The Independent Review into the Future Security of the National Electricity Market, commissioned by the Energy Council, will help inform the long-term policy direction for Australia's energy markets.*

*Ministers heard from key experts on measures already underway to mitigate the risk of security, affordability and sustainability issues in Australia's energy markets, including:*

- *Chairman of the Australian Competition and Consumer Commission, Mr Rod Sims, discussed the Electricity Supply and Prices Inquiry*
- *Australia's Chief Scientist, Dr. Alan Finkel AO, discussed progress on the Independent Review into the Future Security of the National Electricity Market. Having observed energy markets in international jurisdictions, he noted the common presence of strategic planning for the transition to a lower emissions future while preserving energy security and reliability.*
- *Dr Michael Vertigan AC updated Ministers on the Examination of the Current Test of Gas Pipelines*
- *Chief Executive Officer of the Australian Energy Market Operator, Ms Audrey Zibelman, briefed Ministers on the closure of Hazelwood power station, confirming that the closure will not compromise the security of the National Electricity Market next summer.*

*Ministers were updated on progress of the National Gas Reform Taskforce, and the commitments made by LNG producers and gas pipeliners to meet the Australian Energy Market Operator's predicted domestic supply shortfalls from 2018. Ministers also discussed recent announcements about the significant pumped hydro energy storage feasibility study for the Snowy Hydro Scheme.*

*Ministers were updated on the review by the Climate Change Authority, with advice from the Australian Energy Market Commission, to enhance power system security and to reduce energy prices, consistent with achieving our emissions reduction targets in the Paris Agreement. The report will be provided to the Federal Government on 1 June 2017 and publically released by 15 June 2017.*

*Ministers were updated on the recent reforms proposed by South Australia. Ministers directed the Senior Committee of Officials to report back to the July meeting of the Energy Council on implications of the reforms for jurisdictions other than South Australia in the National Electricity Market. Ministers also agreed that the review of retention leases will be undertaken through the upstream resources working group of the Energy Council.*

### **Limited Merits Review**

Ministers discussed the agreement made in December to introduce significant reform elements of the Limited Merits Review regime, agreeing to finalise the changes at the next Energy Council meeting in July.

### **Governance**

Ministers agreed the updated *Protocol for Appointments to Australian Energy Market Governance Institutions and Panels* to, amongst other things, adopt a gender diversity target of 40:40:20. Ministers also agreed to the appointment of Ms Betsy Donaghey as a non-independent casual director to the Australian Energy Market Operator (AEMO) Board for a term of 12 months.

### **Ongoing reforms**

Ministers agreed a variety of additional measures to improve outcomes in Australia's energy markets, including a rule change to improve the Natural Gas Services Bulletin Board; terms of reference for a review into the economic regulation of gas pipelines; enhancing protections for consumers of behind the meter services; and amendments to Greenhouse and Energy Minimum Standards determinations to decrease maximum mercury levels in fluorescent lamps.

## 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 Don Harwin MLC Minister for Resources Minister for Energy and Utilities Minister for the Arts
Victoria	The Hon Lily D'Ambrosio MP Minister for Energy, Environment and Climate Change  The Hon Wade Noonan MP Minister for Industry and Employment Minister for Resources
Queensland	The Hon Dr Anthony Lynham MP Minister for State Development Minister for Natural Resources and Mines  The Hon Mark Bailey MP Minister for Main Roads, Road Safety and Ports Minister for Energy, Biofuels and Water Supply
Western Australia	The Hon Bill Johnston MLA Minister for Mines and Petroleum  The Hon Ben Wyatt MLA Minister for Finance Minister for Energy Minister for Aboriginal Affairs
South Australia	The Hon Tom Koutsantonis MP Treasurer Minister for Finance Minister for State Development Minister for Mineral Resources and Energy
Tasmania	The Hon Matthew Groom MP Minister for State Growth Minister for Energy Minister for the Environment and Parks  The Hon Guy Barnett MP Minister for Resources Minister for Building and Construction
Australian Capital Territory	Mr Shane Rattenbury MLA Minister for Climate Change and Sustainability
Northern Territory	The Hon Kenneth Vowles MLA Minister for Primary Industry and Resources  The Hon Nicole Manison MLA Treasurer Minister for Children Minister for Infrastructure, Planning and Logistics
New Zealand	Hon Judith Collins MP Minister of Revenue Minister of Energy and Resources Minister for Ethnic Communities

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