



# MEDIA RELEASE

## MINERALS COUNCIL OF AUSTRALIA

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### **Further clarity needed on Australia's energy policy framework**

#### **Statement from David Byers, Interim Chief Executive**

The MCA welcomes the release of the latest design paper for the National Energy Guarantee (NEG) and awaits further clarity on a number of important issues.

As the minerals industry has consistently argued, reliable and affordable energy is central to our economy.

Policy measures must deliver reliable and affordable energy at least cost while putting Australia on a pathway to meeting its emissions reduction targets.

A national coordinated approach to climate and energy policy is needed which recognises the energy and resource-intensive nature of the Australian economy.

Australia's National Electricity Market is facing serious challenges including the erosion of baseload generation capacity which is already adversely affecting Australia's industrial sector and households.

The pressing challenge is to reduce energy costs – which are hurting Australia's international competitiveness, affecting Australian families struggling to pay their energy bills and threatening jobs across the country – while also reducing electricity sector emissions and ensuring reliability.

While the NEG represents a serious attempt to address these, we need to fully examine the draft detailed consultation paper.

Issues which the MCA will be considering include:

- Does it provide the required degree of policy and commercial certainty to enable investment in a broad range of power generation types including lowest cost dispatchable generation available 24/7, or will it only incentivise, in practice, investment in renewables, fast response (gas peaking and diesel) generation, and storage? This remains unclear.
- Will it be enough to replace the 8,000MW of low cost baseload plant likely to close before 2030?
- How will it incentivise new entrants to come into the market?
- The cost to large customers of the proposed reliability obligation, including on mining companies in remote areas with limited alternatives.

The MCA looks forward to further clarity on these matters emerging from the consultation process outlined by the Energy Security Board to finalise the detailed design of the NEG.

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