



MEDIA RELEASE

MINERALS COUNCIL OF AUSTRALIA

ACCC proposes sensible approach to secure more affordable energy

Statement from Tania Constable, Chief Executive Officer

The recommendation of the Australian Competition and Consumer Commission (ACCC) that the government underwrite long-term energy contracts to secure private investment in new low-cost power generation capable of meeting the needs of Australian industry is a welcome reality check.

A diverse energy mix will achieve lowest-cost, reliable, low-emissions, sustainable energy for Australia.

The ACCC has recognised the impact on wholesale energy prices arising from the closure of older and larger generation assets and has recommended a role for government in underwriting longer-term contracts for large commercial and industrial users.

Secure power supply agreements would enhance the opportunity for private sector financing of a new coal or gas plant in Australia capable of delivering least-cost power 24/7.

The MCA has long called for measures to address policy risks stopping investment in least cost power supplies which are available 24/7.

Adopting the ACCC's recommendation to address this policy gap would benefit all energy consumers – particularly Australian industry including the world-class mining sector, which uses more than 11 per cent of Australia's power.

Securing new low-cost baseload power generation to lower costs, improve reliability and encourage new technology to help Australia meet its emissions reduction targets is essential for Australia's future.

As the MCA noted in its submission to the 2017 Climate Change Policy Review, 'approximately 8,000 MW of baseload coal and gas capacity is likely to retire between now and 2030. This represents a decrease of about 27 per cent in our baseload capacity – that is power which is provided 24/7.'

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