

Australia Needs an Energy Reform Stimulus to Rebuild After COVID-19

AN OPEN LETTER

To COAG Energy Council

Australia faces an economic crisis caused by the COVID-19 pandemic.

At the same time we face a challenge maintaining the reliability of electricity supply in a system designed around coal-fired power. Australia lacks bipartisan agreement on a long-term climate policy consistent with the Paris Agreement.

COAG Energy Council can address these problems by opening up the National Electricity Market to more competition from renewables, energy efficiency and enabling technologies such as batteries. The AEMC showed the way last week with its decision to keep Five Minute Settlement on track for implementation in 2021. A fit-for-purpose NEM will stimulate investment in regional Australia and reduce energy costs.

COAG plans to deliver a new market design, the P2025 project, from mid-2026. Australia cannot wait that long for a major redesign of the NEM.

We call on this historic, last meeting of COAG Energy Council to:

- 1 // PRIORITISE** the Energy Security Board's P2025 project and interim reliability measures, for delivery from 2023;
- 2 // PAUSE** or delay all other non-priority rule changes and reviews by the ESB, AEMC, AER and AEMO;
- 3 // ACCELERATE** the Integrated System Plan including Group 1 and 2 and Renewable Energy Zone projects even where this means states moving forward unilaterally to build transmission and interconnectors.

Australia needs an energy reform stimulus to build back better.

SIGNATORIES

Mike Cannon-Brookes

Co-CEO
Atlassian

Simon Hackett

Renewable Energy
Entrepreneur and Investor

Emma Jenkin

Co-Founder
DC Power Co

Mark Twidell

Managing Director
Energy Products and Programs
Tesla

Dan Adams

Co-CEO
Amber Electric

Professor Renate Egan

Engineering
UNSW

Gavin Dietz

CEO
Wattwatchers Digital Energy

Dr Hugh Saddler

Honorary Associate Professor
Crawford School of Public Policy
Australian National University

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