

# COAG Energy Council

Meeting Communique

Friday 10 August 2018

## ENERGY MINISTERS MET TODAY IN SYDNEY FOR THE EIGHTEENTH COAG ENERGY COUNCIL MEETING

### **The National Energy Guarantee**

Dr Kerry Schott AO, and Ms Clare Savage, Chair and Deputy Chair of the Independent Energy Security Board (ESB), presented the ESB's final detailed design proposal for the National Energy Guarantee (Guarantee).

The Council noted the detailed work the ESB has undertaken on the final design of the Guarantee and appreciate the extensive consultation with, and support from, stakeholders.

Ministers reiterated the importance of effectively integrating energy and climate policy with the Commonwealth, state and territory governments working together to deliver more affordable, reliable and cleaner power.

Ministers agreed to the release of the exposure draft of the National Electricity Law amendments that would implement the Guarantee following confirmation at a Council teleconference on 14 August. Ministers noted that prior to this teleconference, Ministers will be provided with the draft Commonwealth legislation after it has been endorsed by the Coalition party room.

At the request of the South Australian Minister, Ministers acknowledged the concern that a reliability gap could emerge at any time across the 10 year forecast period. Council asked ESB to consult on legislative options for addressing this issue.

The ESB and Commonwealth papers on the detailed design are available on the COAG Energy Council [website](#).

### **ACCC's Retail Electricity Pricing Inquiry**

Mr Rod Sims, Chair, Australian Competition and Consumer Commission, briefed Council on the ACCC's Retail Electricity Pricing Inquiry and updated Council on the ACCC's Gas Inquiry 2017-2020.

Council welcomed the ACCC's Retail Electricity Pricing Inquiry final report, which was publicly released on 11 July 2018. This report is an important contribution to improving competitive outcomes for households and businesses. It recommends action on a broad range of fronts falling across state and territory, Commonwealth and cross-jurisdictional issues.

Ministers agreed to act quickly by progressing an initial set of 16 cross-jurisdictional recommendations from the Report, including recommendations to reduce the time it takes for consumers to switch

retailers, ensure consumers get the information they need before their contract ends and fast tracking consideration of strengthening of penalties and AER's investigative powers.

Ministers agreed to a program of work to consider the remaining 23 recommendations that are COAG Energy Council's responsibility. The Council will consult on these recommendations as appropriate to ensure close cooperation on delivering results for consumers.

## **Transmission Planning and Interconnection**

Ms Audrey Zibelman, Chief Executive Officer, AEMO, briefed Ministers on their Integrated System Plan (ISP), a key recommendation of the Finkel Review.

The ISP provides an outlook to 2040 on the future needs of the National Electricity Market (NEM), including recommended transmission investments that will deliver secure, reliable and affordable energy as our generation mix transitions.

Council requested that the ESB report to the December 2018 meeting on how the Group 1 projects identified in the ISP can be implemented and delivered as soon as practicable and with efficient outcomes for customers. The ESB will also report on how the Group 2 projects will be reviewed and progressed. Any modifications that may be needed to existing processes for these projects to be delivered should be clearly identified and a way forward recommended.

Ministers also asked that in addition to the consultation on the current ISP that is underway, the ESB should identify a work program (including possible changes to the RIT-T) and convert the ISP to an actionable strategic plan. The ESB Chair should take the lead on its delivery and report back to the December 2018 meeting. Council notes that all market bodies will be closely involved in this work. Council will consider all of these matters at the December 2018 meeting.

## **Hydrogen update**

Dr Alan Finkel, AO, Chief Scientist, briefed Council about the potential role of hydrogen in the domestic economy and export markets for Australia. Council noted the investment and job opportunities that hydrogen offers in regions across the country. Council agreed the Chief Scientist, in close consultation with officials, will bring back a proposal for the development of a national hydrogen strategy to the December 2018 meeting.

## **Cyber security update**

Ms Audrey Zibelman provided an update on AEMO's work, through the cyber security uplift program, to develop a national energy cyber security framework as recommended in the Finkel Review. The cyber security uplift program is an important and timely piece of work given the growing need to defend against evolving cyber threats facing Australia.

## **Gas Supply**

Ministers noted the Gas Supply Strategy (GSS) Review Steering Committee's report and accepted the recommendations. Ministers have requested officials to refine the GSS Implementation Plan by the end 2018, and agreed that the cross-jurisdictional steering committee continue in order to refine and coordinate implementation of the Plan until the end of 2020. Ministers also agreed to release the fourth GSS Implementation Progress Report which provides an overview of implementation efforts during the period 1 November 2017 to 30 June 2018.

Ministers agreed to publish Noetic Group's final report on the review of petroleum licensing regulations. The Council will further consider progress of the recommendations in 2019.

## 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 Timothy Pallas MP Treasurer Minister for Resources
Queensland	The Hon Dr Anthony Lynham MP Minister for Natural Resources, Mines and Energy
Western Australia	The Hon Bill Johnston MLA Minister for Mines and Petroleum, Commerce and Industrial Relations, Electoral Affairs, Asian Engagement  The Hon Ben Wyatt MLA Treasurer Minister for Finance Minister for Energy Minister for Aboriginal Affairs
South Australia	The Hon Daniel van Holst Pellekaan MP Minister for Energy and Mining
Tasmania	The Hon Guy Barnett MP Minister for Energy and 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 Police, Fire and Emergency Services Minister for Business and Innovation
New Zealand	Hon Dr Megan Woods MP Minister of Earthquake Commission Minister of Energy and Resources Minister of Greater Christchurch Regeneration Minister of Research, Science and Innovation

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