

Work ahead for energy security

AFR, Letters to the Editor, Nov 28 2017

The AFR reported on November 25 that the majority of the COAG Energy Council agreed on Friday for the Energy Security Board to progress its work on the National Energy Guarantee. This decision is important. The guarantee links reliability requirements in the electricity system with an emissions reduction proposal. As more solar and wind generation enters the system it is essential that dispatchable generation complement these developments. When wind and solar are not available, we still need power.

It is important to be clear that the other pertinent decision of the council was unanimous and made clear that the work of the board going forward would be approved by the COAG Energy Council. While the council could agree about further modelling scenarios of some kind these have not been discussed, let alone decided. So your article that noted "Board looks at more emissions targets" in the modelling agenda was well ahead of where we are at. The council have not yet considered any detailed future work program for the board.

Finally, the work of the board in the near future must focus on two things. First, exactly how the National Energy Guarantee will work and how compliance in the market will be monitored and rewarded. This is not about modelling any number of different scenarios but rather about the market design of the Guarantee.

The second matter of focus is the implementation of the recommendations in the Finkel Report to address the problems in the National Electricity Market. The fact that COAG Energy Council approved 49 out of 50 of these recommendations is remarkable in itself. We must keep this momentum moving forward.

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