

## **Energy guarantee a goer**

Letter, The Australian, 17 Jan 2018

As any tennis player knows, not every serve is an ace. Judith Sloan's piece yesterday ("Nice try, Josh, but Snowy's a disaster and NEG is vague", 16/1) certainly was not.

Only four months ago, Sloan's column ran under the headline "a NEG (National Energy Guarantee) is as good as it gets", and she said "the NEG does away with subsidies for renewables and the associated certificates and instead imposes reliability and sustainability requirements on electricity retailers ... the fact that key electricity retailers are on board provides a degree of confidence that it can work. Let's just hope that it's given a fair chance." I couldn't have said it better. With no new taxes, trading schemes or subsidies, the NEG represents a paradigm shift in integrating energy and climate policy, and will help drive electricity prices down \$400 a year for households and much more for businesses, according to independent modelling.

The BCA, AiG, ACCI, BlueScope, BHP, Dow Chemical, the Grattan Institute and a host of others have voiced their strong approval. I don't know on what basis Sloan could say "it's failing to gain widespread support", other than from following the Labor/Greens hymn sheet, as they are ideologically driven outliers who are resisting the NEG.

I know the NEG was not Sloan's preferred option. She wrote early last year, prior to the Finkel review's release, "a solution the government should consider ... Let us call it the Clean Energy Target that will use underlying clean-energy certificates that are weighted on the basis of the emissions intensity of the source of the electricity.

The CET could formally run to 2030 and beyond, thereby giving all players some certainty. The aim of policy should be to achieve a given reduction in emissions at least cost, not to favour one form of energy at the expense of all others". A worthy aim, but I for one am glad we didn't take this advice as a CET would have been an extension of the subsidies mentality we are determined to stop.

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