

COAG Energy Council

Meeting Communique

Friday 22 November 2019

ENERGY MINISTERS MET TODAY IN PERTH FOR THE TWENTY-SECOND ENERGY COUNCIL MEETING.

MINISTERS FOCUSED ON THE KEY PRIORITY OF ENSURING ENERGY SECURITY, RELIABILITY AND AFFORDABILITY FOR ALL AUSTRALIANS.

Ministers were briefed by the Australian Energy Market Operator (AEMO) on its preparations to make sure the energy system is ready for the upcoming summer. Whilst challenging, AEMO remains confident that they have sufficient arrangements in place to minimise the risks to the National Electricity Market (NEM) over the summer season.

Security and Reliability

The NEM, and the WA and NT energy markets, are undergoing profound transformation with an accelerating pace of change. Given this, the Council tasked the Energy Security Board (ESB) to provide advice for decision in March 2020 on immediate measures to ensure reliability and security of the electricity system for an in-session meeting in March 2020.

As part of this work, Ministers tasked the ESB to undertake an immediate review of the NEM electricity reliability standard to ensure that it is fit for purpose and to also assess benefits and costs to consumers. The ESB will report to Council with its recommendations by March 2020 such as any change to the reliability standard that is approved will be made in time to inform the Electricity Statement of Opportunities.

Ministers also discussed the Australian Energy Market Commission's (AEMC) work on the Coordination of Generation and Transmission Investment review and agreed that the AEMC present this work for consideration by Council by March 2020. Ministers also noted the need to engage closely with stakeholders as this work progresses. As a key part of this work, and work being undertaken by the ESB, Ministers discussed progress and asked the ESB to expedite work on short term actions to progress renewable energy zone connections.

The non-NEM states (NT and WA) look forward to the continuing cooperation of the Commonwealth Government and the Australian energy market bodies on security and reliability.

National Hydrogen Strategy

Ministers agreed to the National Hydrogen Strategy, which will support the development of a clean, innovative, competitive, technology-neutral and safe hydrogen industry that benefits all Australians. Ministers agree national coordination is a key priority to support industry growth. Early actions include responsive regulation, international engagement, skills and innovation. Ministers agreed Australia should take a leadership role in tracking and certifying the origin and emissions intensity of hydrogen.

Technology and Opportunities

Ministers discussed the Commonwealth's Climate Solutions Package, and its development of a technology investment roadmap.

Ministers also noted the importance of improving transparency in the gas market and approved further work on transparency measures.

Integrated System Plan

Noting the importance of the Integrated System Plan (ISP) for the NEM, Ministers discussed updates from the ESB on its work to action the current ISP and agreed the ESB will bring its rules package to action the ISP back to Council in March 2020. Ministers also noted AEMO's development of the 2020 ISP. Ministers noted that key projects are being progressed, including KerangLink, HumeLink, MarinusLink and Energy Connect as are reforms to modernise the Regulatory Investment Test for Transmission.

Recognising that interconnectors should only proceed based on a positive cost/benefit assessment, the Council has asked the ESB to prepare advice on a fair cost allocation methodology (both in theory and practice) as part of its work to action the ISP.

NSW informed Council of its intention to put in place derogations to ensure reliability and fast track renewable energy zones giving effect to the NSW Electricity Strategy.

Governance

The Council looks forward to the scheduled review of the ESB whilst recognising the value and importance of coordination across market bodies and the role ESB plays in facilitating this.

Resources

Australia's resources sector remains a priority for the Council. Resources Ministers welcomed the progress being made toward the Council Strategic Reform Agenda for Resources, which was agreed in December 2018 to facilitate the economic and competitive development of Australia's mineral and energy resources. For example, work has commenced to develop a resources data strategy and a critical minerals work program. As part of a plan to benchmark regulations, the Council noted that the Productivity Commission had commenced a study into resources sector regulation across jurisdictions. Australia's Resources Ministers will discuss progress and future steps on other reform priorities at the next Resources Roundtable meeting in early 2020.

Welcome and thank you

Ministers welcomed New South Wales Minister for Energy and Environment, the Hon Matthew Kean MP and the Hon John Barilaro MP, Deputy Premier and thanked the Hon Don Harwin MLC for his contribution to the Council.

Ministers also welcomed Northern Territory Minister for Renewables, Energy and Essential Services, The Hon Dale Wakefield MLA. Ministers thanked the Hon Kenneth Vowles MLA and the Hon Nicole Manison MLA for their contribution to the Council.

Ministers welcomed Ms Clare Savage to her first meeting as Australian Energy Regulator (AER) Chair, and acknowledged Ms Paula Conboy's substantial contribution to the Council, both as AER Chair and a member of the Energy Security Board (ESB).

Ministers thanked Ms Anne Pearson for her valued contribution, to both the Australian Energy Market Commission (AEMC) and the Council, following her announcement to retire as Chief Executive of the AEMC.

Ministers thanked Mr Rob Heferen, Chair of the Council's Senior Committee of Officials, for his contribution to Council and wished him well in his new role.

Membership

The COAG Energy Council comprises Commonwealth, State, Territory and New Zealand Ministers responsible for energy and resources.

Commonwealth (Chair)	The Hon Angus Taylor MP Minister for Energy and Emissions Reduction
Commonwealth	Senator the Hon Matthew Canavan Minister for Resources and Northern Australia
New South Wales	The Hon Matthew Kean MP Minister for Energy and Environment The Hon John Barilaro MP Deputy Premier Minister for Regional New South Wales, Industry and Trade
Victoria	The Hon Lily D'Ambrosio MP Minister for Energy, Environment and Climate Change Minister for Solar Homes The Hon Jaclyn Symes MLC Minister for Resources Minister for Regional Development Minister for Agriculture
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, Energy and Industrial Relations
South Australia	The Hon Daniel van Holst Pellekaan MP Minister for Energy and Mining
Tasmania	The Hon Guy Barnett MP Minister for Energy Minister for Resources Minister for Primary Industries and Water Minister for Veterans' Affairs
Australian Capital Territory	Mr Shane Rattenbury MLA Minister for Climate Change and Sustainability
Northern Territory	Hon Paul Kirby MLA Minister for Primary Industry and Resources Hon Dale Wakefield MLA Minister for Renewables, Energy and Essential Services Minister for Territory Families
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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