

## Decision on electricity supply welcome

National Irrigators' Council (NIC) says the announcement of a new Federal energy policy including the National Energy Guarantee (NEG) is positive but says that the nation needs a bipartisan agreement on energy policy if the crisis is going to be relieved in the long term.

NIC CEO, Steve Whan said "the Government's policy, including the new NEG, looks to address the problem we are seeing because of 10 years of policy failure, which has resulted in Australia not having enough 'dispatchable' generation capacity.

"Irrigators are very happy to use renewable energy as long as we have a mix of sources including the so called 'dispatchable' energy - available 24 hours a day at a reasonable price. NIC believes that price should have a ceiling of 8 cents per kwh for the electrons and 8 cents for the network.

"It is important that we have access to the further detail in relation to this initiative to fully understand all its components, we do note that this mechanism includes capacity to meet international emission reduction targets and also appears to include potential for carbon credit trading in energy production. The package is welcome – as long as it provides the certainty industry needs.

"And like many other peak bodies, NIC would emphasise the key need to achieve a bipartisan energy policy if Australia is to resolve this massive problem.

"Generation is a critical part of the picture and if the Government is successful, this could have the effect of reducing the ability of generators to 'game' the market to boost their profits at the expense of consumers.

"However, it is only one part of the complicated picture outlined earlier this week by the Australian Competition and Consumer Commission. It remains absolutely essential that action is taken to make the market work effectively in retail and that network rules are changed to prevent the owners of the networks raking in unjustified and exorbitant profits from consumers.

"In that sense I commend Minister Frydenberg in achieving the passage through Parliament this week of legislation to abolish the Limited Merits Review (LMR), a measure that the National Irrigators' Council has backed for some time, to prevent network owners using their massive resources to appeal Australian Energy Regulator (AER) pricing decisions."

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