

Our Ref: 14829750
Contact Officer: Chris Ridings
Contact Phone: 08 8213 3487
Date: 9 Feb 2023

Sent by email to: netp@industry.gov.au
Australian Government
Department of Climate Change, Energy, the Environment and Water

Consultation on proposed legislative changes to incorporate an emissions reduction objective into the national energy objectives

The Australian Energy Regulator (AER) welcomes the opportunity to comment on the proposed legislative changes to incorporate an emissions reduction objective into the national energy objectives.

As noted in the consultation paper, the energy sector contributes a substantial amount towards national emissions and therefore plays a key role in achieving net zero and interim emissions reduction targets. As such, the AER is supportive of the process to integrate an emissions reduction objective in the national energy objectives in order for us to explicitly consider emissions reduction as part of our regular powers and functions.

We consider that the insertion of emissions reduction into the national energy objectives will have a substantial impact on the AER's exercise of our powers and functions, in particular the exercise of economic decision making in both electricity and gas. This would enable us to integrate the consideration of emissions reduction with other elements of economic efficiency such as price, quality, safety, reliability, and security of supply.

We have addressed the questions for consultation in more detail in Attachment A.

We thank the Department for the opportunity to submit on this process. If you have any questions about our submission, please contact Mark Feather, General Manager, Strategic Energy Policy on 03 9290 6958 or Chris Ridings, Assistant Director, Policy on 08 8213 3487.

Yours sincerely



Clare Savage
Chair
Australian Energy Regulator