

- Minister for Energy, Environment & Climate Change
- Minister for Solar Homes



MEDIA RELEASE

Victoria Refuses To Wait For Power Security

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The Andrews Labor Government is stepping in to reduce the price of costly reserve power, after calls from the Australian Energy Market Operator (AEMO) were ignored at the Federal level.

Minister for Energy Lily D'Ambrosio said Victoria was sick of waiting for the National Energy Rules to change - and would instead go it alone with the market operator in negotiating cheaper multi-year contracts for additional reserve power.

Currently, outdated energy rules mean AEMO can only negotiate Reliability and Emergency Reserve Trader (RERT) agreements for additional power nine months in advance. That means more uncertainty, less competition, more expensive contracts, and higher costs for Victorians.

AEMO has been calling for national rule changes which would allow them the option of multi-year RERT contracts, where it represents value for money for consumers. Taking this step will help mitigate against the risk of our ageing privately owned coal generators failing when they are needed most.

It will also encourage participation from smaller generators who are better equipped to supply additional power for a longer duration – rather than relying on major electricity users to power down for a short period.

While AEMO has forecast that Victoria's huge renewable energy push will greatly improve energy supply in the coming years, the existing privatised coal generators can't be relied upon not to breakdown during prolonged periods of hot weather.

This is why the Labor Government has taken action, requesting an exemption from the Australian Energy Market Commission to allow AEMO the option of negotiating longer RERT contracts, where it's cheaper to do so.

Updating the wider energy rules will continue to be an important topic at the upcoming Energy Council COAG and we would welcome Federal Government contribution to this important discussion.

However it seems the Federal Energy Minister is more interested in scoring political points, than acting on the advice of the independent market operator or leading national market reform.

Given Mr Taylor has only scheduled this vital meeting just before summer hits, the Labor Government has no choice but to act now to help support Victorians for the summer ahead.

Quotes attributable to Minister for Energy, Environment and Climate Change Lily D'Ambrosio

"The only thing failing more than our ageing coal fired power plants is Angus Taylor."

"Victoria is not willing to wait on the sidelines when it comes to planning for our energy future – which is why we're breaking free from the Federal Government's out-dated rules and getting it done ourselves."

"Securing longer-term reserve power is not a silver bullet, but it's important we use everything in our arsenal to help AEMO balance our energy supply and demand during prolonged hot weather."

