



18 August 2023

Ms Anna Collyer  
Chair  
Australian Energy Market Commission

Project Reference Codes: CRP0159 and REL0089

Dear Ms Collyer,

**Consultations on Reliability Panel guide to applying the emissions component of the National Energy Objectives and the AEMC guide to applying the emissions component of the National Energy Objectives**

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide joint comments to the Australian Energy Market Commission (AEMC) in response to the following consultations:

- Draft Reliability Panel guide to applying the emissions component of the National Energy Objectives (NEO) (REL0089); and
- Draft AEMC guide to applying the emissions component of the NEO (CRP0159).

This submission is provided by Energy Queensland on behalf of its related entities:

- Distribution network service providers, Energex Limited and Ergon Energy Corporation Limited;
- Retailer, Ergon Energy Queensland Pty Ltd (Ergon Energy Retail); and
- Affiliated contestable business, Yurika Pty Ltd and its subsidiaries, including Yurika Metering.

Energy Queensland supports the upcoming change to the NEO to include an emissions reduction component. We note this reform will support the delivery of Queensland Government initiatives, in particular the Queensland Energy and Jobs Plan, as part of the wider energy transformation occurring across Australia.

Energy Queensland also supports the development of guides to assist the AEMC and Reliability Panel when applying the emissions reduction component of the updated NEO, alongside the other considerations in the objectives.

In our view, the guides provide a high-level overview of how the AEMC and Reliability Panel will apply the emissions reduction component of the NEO in their work. We

encourage the AEMC to ensure consistency and alignment across guidelines to the greatest extent possible.

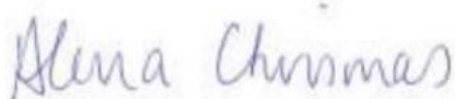
We would welcome further guidance on how the AEMC and the Panel may balance and weigh the different components of the NEO. We encourage the development of a set of guiding principles and support further consultation if the development of such principles is considered. We would also support the inclusion of real world examples in the guides. This would assist stakeholder understanding as to how the AEMC and Reliability Panel intend to apply the amended NEO in practical situations.

Further, we note that the concept of the 'long-term interests of customers' has been calculated as a financial outcome which is to be applied during assessment against other objectives. While we acknowledge that the Commonwealth Government is developing a measure to enable emissions reductions to be valued for the purpose of assessment against other dollar-based objectives, we note that an assessment of 'long-term interests of customers' in relation to emissions reductions, may not be as easy or clear-cut. We would encourage further guidance on how this will be developed.

Lastly, we note that the AEMC will publish a list of government targets on renewable energy, electrification and emissions. Until such time the targets are published, we encourage the AEMC to provide clarity as to how these targets will be incorporated into rule-making processes.

Should the AEMC require additional information or wish to discuss any aspect of this submission, please contact either myself, or Mark Simpson on 0467 837 450.

Yours sincerely



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**Acting Manager Regulation**

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