



17 August 2023

Lily Mitchell  
Australian Energy Market Commission  
GPO Box 2603  
Sydney NSW 2000

Dear Ms Mitchell

## **RE: AEMC guide to applying the emissions component of the national energy objectives**

Shell Energy Australia Pty Ltd (Shell Energy) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) guide to applying the emissions component of the national energy objectives.

### **About Shell Energy in Australia**

Shell Energy is Shell's renewables and energy solutions business in Australia, helping its customers to decarbonise and reduce their environmental footprint.

Shell Energy delivers business energy solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity for commercial and industrial customers, while our residential energy retailing business Powershop, acquired in 2022, serves more than 185,000 households and small business customers in Australia.

As the second largest electricity provider to commercial and industrial businesses in Australia<sup>1</sup>, Shell Energy offers integrated solutions and market-leading<sup>2</sup> customer satisfaction, built on industry expertise and personalised relationships. The company's generation assets include 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and the 120 megawatt Gangarri solar energy development in Queensland.

Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy, while Powershop Australia Pty Ltd trades as Powershop. Further information about Shell Energy and our operations can be found on our website [here](#).

### **General comments**

Shell Energy considers that in applying the new emissions component of the national energy objectives, the AEMC should provide more detailed guidance in how it will balance the emissions objective against the other objectives of price, reliability and security. This will be particularly important following the official implementation of the revised objectives to ensure that stakeholders can understand the specific way in which the AEMC is applying the objectives for each rule change or market review. Stakeholders need to understand how the AEMC is trading-off each of the objectives to enable us to respond effectively.

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<sup>1</sup>By load, based on Shell Energy analysis of publicly available data.

<sup>2</sup> Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including ERM Power (now known as Shell Energy) by independent research company NTF Group in 2011-2021.

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We also consider that the AEMC will need to be cautious in assessing the benefit of rule changes to ensure that rule changes lead to additional or cheaper emissions reductions. In our view, the AEMC needs to look at the marginal benefit – i.e. only the additional emissions reduction that occur as a result of a rule change – in assessing the overall value of emissions reduction. This will be particularly important when the AEMC undertakes cost-benefit assessments to support their decision-making process.

For more detail on this submission, please contact Ben Pryor, Regulatory Affairs Policy Adviser ([ben.pryor@shellenergy.com.au](mailto:ben.pryor@shellenergy.com.au) or 0437 305 547).

Yours sincerely

[signed]

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GM Regulatory Affairs & Compliance