

**Submission to Updated national energy objectives harmonising rule changes consultation paper**

**Based on meeting summary: AEMC – Energy Consumers Australia(ECA)**

**10 August 2023, 1:00pm – 1:30pm**

**Attendees:**

<b>Name</b>	<b>Organisation</b>
Alisa Toomey	AEMC
James King	AEMC
Christian Dunk	AEMC
Brian Spak	ECA
Isabella Darin	ECA

- Energy Consumers Australia (ECA) supports Energy Ministers' decision to introduce an emissions reduction component into the energy objectives, as indicated in ECA's [submission](#) to jurisdictions' consultation on the draft *National Energy Laws (Emissions Reduction Objectives) Bill*.
- ECA considers it appropriate that emissions reduction be considered in regulatory decision-making alongside and on an equal basis to other components of the energy objectives. ECA considered that emissions reduction needs to be achieved along with the other elements - it should not be above the other elements.
- ECA supports the intent of the AEMC's rule changes to harmonise the rules with the updated energy objectives.
  - ECA is supportive of the proposed rule changes to include emissions reduction in the expenditure objectives
  - ECA is supportive of the proposed rule changes to include emissions reduction in network planning and investment rules including adding emissions reduction as a class of market benefit.
- ECA considers the primary risk from the rule change being that it could lead to consumers “paying twice” for emissions reduction through competing visions and pathways for decarbonizing energy demand, especially energy demand from homes and small businesses.
  - Emissions reduction opportunities in gas and electricity should be considered together rather than in isolation. It is critical that the rules enable emissions reduction under the National Gas Objective to be achieved through switching energy use from gas to electricity.
  - Doing so will avoid consumers paying for emissions reductions twice – once through an enhanced electricity network assuming the electrification of most household and small business energy demand, and another time through an enhanced gas network assuming that most or many household and small business energy demand is met through “green gas,” be that biomethane or hydrogen.
- At some point, it would be sensible for the AEMC to consider the recommendation made in the Grattan Institute’s “Getting off gas” paper to “require gas network businesses to include plans for the efficient and safe decommissioning of the networks in the five-year reviews with the Australian Energy Regulator.” Considering that rule change idea may or may not be appropriate in this rule change proposal.
- Noted ECA has published a report on the costs and benefits of electrification – [Stepping up: A Smoother Pathway to Decarbonising Homes](#)