



Advice to COAG Energy Council on strategic priorities

Today the Australian Energy Market Commission published advice to assist energy ministers in fulfilling their commitment to develop a strategic energy plan by mid-2018.

The advice sets out priority areas that governments and energy market bodies need to focus on to tackle the challenges in the energy sector. It builds on recommendations of the Finkel review.

From among a broad set of industry issues and goals, the advice identifies priority actions:

- implementing a national emissions reduction mechanism that is integrated with energy policy, along with an agreed emissions trajectory for the national electricity market
- making the market work for consumers, particularly in relation to prices and participation options
- redesigning parts of the wholesale and gas markets to be fit for the emerging industry requirements
- improving sectoral governance

This advice is provided as an input into the processes of the Energy Security Board (ESB) and the Council towards finalising and implementing a strategic energy plan.

The AEMC has worked with the Australian Energy Market Operator (AEMO), Australian Energy Regulator (AER) and Energy Consumers Australia (ECA) in developing this advice. It has also been informed by extensive consultation and stakeholder engagement processes.

The AEMC has also provided Ministers with tools to help manage energy sector priorities on a consistent basis. It includes an analytical framework so new and emerging issues can be mapped alongside related issues and actions underway; a guide to joining the dots between issues so actions can be streamlined and unintended consequences can be minimised; and, a process to refresh the strategic plan on a regular basis.

Having a prioritised set of objectives will help our energy sector become more diverse, more responsive and more rewarding for consumers, with positive flow-on effects for Australia's GDP and employment.

This advice shows what needs to be done, when and by whom. It's a transparent way for energy consumers and stakeholders to understand how energy market transformation will be delivered over the coming months and years.

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