



NFF ENERGY POLICY

Policy Position

Australia's national energy policies must deliver affordable, reliable, secure and increasingly lower emission energy to households, businesses and industries. Energy policy needs to be focused on an efficient and smooth transition through a period of significant technological change. This policy statement is complementary to the three NFF policy positions Climate, Electricity and Mining and Onshore Gas.

Background and issue

Australian households, businesses and industries are experiencing record high energy prices for a variety of reasons, placing financial pressure on energy users of all levels and threatening the international competitiveness of our trade-oriented economy. The state of the energy generation mix is in significant flux. As fossil fuel based facilities age and as new builds are increasingly less competitive compared to renewable energy technologies, it is crucial to provide the policy environment that allows all technologies to evenly compete in order to deliver affordable, reliable and secure energy in the short term while providing a stable and transitional pathway to a low emission energy future.

A country as large, climatically diverse and resource rich as Australia requires a national energy plan that reflects all opportunities for energy generation and is realistic about the manner in which energy is supplied. There is significant potential for regional communities to take part in the future of Australia's energy generation mix, building stronger and more resilient communities in the process. At the same time, those landholders and industries who continue to contribute to Australia's emissions reductions goals must be recognised and rewarded for their actions.

What industry needs

Government must deliver a national energy plan that:

- is technology-neutral, market-based and economy-wide, delivering affordable, reliable and secure energy;
- supports increased competition across all aspects of the electricity and gas markets;

- ensures sound economic regulation of networks through the Australian Competition and Consumer Commission where competition is low, especially in regional and rural Australia;
- supports innovation to capture the full range of opportunities to improve energy productivity, energy efficiency and low emissions energy generation, including renewable, thermal and kinetic energy;
- recognises the potential of regional Australia to take part in the revolution of energy generation and supply and ensures that the regulatory settings enable this change, rather than create barriers for change;
- empowers and builds capacity in regional, rural and remote communities to contribute to secure and reliable energy supply and storage;
- ensures that rural, regional and remote Australia is not disadvantaged or left behind by the disruption, and that the policy solutions are designed for all Australians, not just those in metropolitan areas;
- recognises and rewards landholders, communities and industries that contribute to Australia's emissions reductions goals.

What industry needs regarding the transition to renewable energy

- commonwealth to facilitate an enforceable code to ensure future transmission lines are placed in the landscape with proper consultation, appropriate compensation and do not adversely impact existing land use;
- consistent with the above, deliver the government's commitment to comprehensive early consultation through delivery of Rewiring the Nation including a focus on local communities with respect to new electricity infrastructure. Along with reducing the need for new transmission lines to be built, it would provide farmers with the opportunity to earn a secondary income;
- investment in exploring, credible, cost-effective alternative energies. Options include electric vehicles, hydrogen fuel and biodiesel, as a direct substitute for diesel. These need to be assessed against the range of options with a particular focus on portability, logistical access for rural and remote areas and cost benefit;
- should farm machinery move to electrification, there will need to be repair networks for this machinery and confidence that regional networks can handle this new load will be critical;
- governments need to do more to encourage small-scale renewables and allow farmers to share power with their neighbours and local communities. This can be done by investment in progressing technology and renewable energy in agriculture;
- establish mid-scale community and farmer 'informal REZs' (outside of declared REZs) which identify under-utilised hosting capacity in the network and encourage dispersed 1-5MW solar developments, making the electricity distribution work for farmers and regional communities;
- the Federal Government fund pilot small-scale renewable powered hubs that share infrastructure and supply a local region with products and

services such as green ammonia to urea processing to ensure affordable and reliable supply of essential farm inputs.