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**TURNBULL GOVERNMENT WELCOMES PROGRESS ON
THE NATIONAL ENERGY GUARANTEE AT COAG ENERGY COUNCIL**

The Turnbull Government welcomes the decision by the COAG Energy Council to undertake further design work on the National Energy Guarantee.

The Guarantee was recommended by the independent expert Energy Security Board (ESB) and has received widespread support from industry and consumer groups.

Agreement by the Council is a significant and constructive step forward in delivering a more affordable and reliable energy system as we transition to a lower emissions future.

As part of the agreement, the ESB will further develop the design details of the National Energy Guarantee and report back to the COAG Energy Council by April 2018.

As ESB modelling undertaken by Frontier Economics shows, wholesale electricity prices are forecast to drop by 23 per cent, while the savings to households will be in the order of \$400 per year in the decade from 2020 to 2030 under the National Energy Guarantee and new generation.

Large energy users will also greatly benefit from the Guarantee. For example, a chemical factory could see a reduction in its energy bills of around \$1.4 million per year and a paper manufacturer around \$10 million per year.

As a truly technology neutral policy, the Guarantee will also drive the right investment and reduce emissions without subsidies, taxes or trading schemes.

The Turnbull Government looks forward to continuing to work with the states and territories and the ESB on the Guarantee in the lead up to the next COAG Energy Council meeting in April 2018.

The Guarantee builds on the wide range of energy policy initiatives already undertaken by the Turnbull Government, including an agreement with retailers to offer millions of Australian consumers a better deal, legislation to stop the networks gaming the system and delivering more gas for Australians before it's shipped offshore. These initiatives, together with a record investment in energy storage, including Snowy 2.0, will help drive a more affordable and reliable system.

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