



Policy Overview: After More Than 20 Years, We Have Barely Started

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Heading towards 2024, Australia is confronted by a range of major, but as-yet-unquantified, threats and opportunities flowing from internal and external demands for the world to achieve net zero emissions by 2050. The high degree of uncertainty about these threats and opportunities requires Australia to pursue an apolitical, technology-neutral national energy policy.

Our energy policy must ensure our long-term energy security, including the reliability of our power system and the electrification of our transport system. At the same time, the plan must honour Australia's commitments to its export customers. Technology neutrality, technological innovation, diversification and market-driven reforms must be the dominant themes, as must integrity and truth.



EPIA
established

- The Energy Policy Institute of Australia (EPIA) was originally called the Australian Energy Alliance. It was established in 2000 with the main aim of promoting Australia's exports of coal, LNG and uranium.
- The APEC organisation was then highly significant for Australia's energy trade and investment, with Australia providing the first secretariat for the APEC Energy Working Group. EPIA worked with the Australian Government to further the interests of Australian exporters in foreign markets.



Technology
neutrality

- In 2004, Australia hosted the World Energy Congress in Sydney. EPIA declared its support for technology neutrality, diversity and keeping all energy supply options open as fundamental policy principles.
- In 2007, EPIA became an independent incorporated entity, focusing on both domestic and export markets for all forms of energy. EPIA was unique, and remains so, being dedicated to the advancement of good energy policy across all sectors and forms, bringing together the

disciplines of science, engineering, law, economics, finance and management.

- After 2007, EPIA evolved as Australia's only independent, apolitical and technology-neutral energy policy body. It advocated that Australia should maintain a secure investment climate and be internationally competitive, while moving towards and contributing to global efforts to build a low-carbon society.
- EPIA became affiliated with the US Energy Association.
- EPIA was always cognisant of the reality that policy did not have legal force. In the absence of legislation, policy could never be more than a guide as to what government, industry and the community anticipated of each other. Trust was always a crucial factor. The level of trust in government began falling due to the conflict.
- Under the Rudd Government, energy policy began to be subordinated to climate policy. The government policy was that a price on carbon was needed. EPIA maintained that the absence of a technology-neutral energy strategy left a gap in energy policy.
- In March 2012, the need was recognised for regular policy review via an Energy White Paper process. EPIA made the following submission to the Government:



Energy policy subordinated



Need for regular review

Regular Strategic Review

We welcome the proposal that the strategic review of energy policy be undertaken on a regular cycle.

We believe that each strategic review should be preceded by a systematic and predictable process. We also believe that there would be benefit in elaboration of the process that would follow each strategic review.

We recommend that the implementation of the EWP be actively tracked in a constructive fashion, recognising that targets will need to be adjusted in the light of technology and international developments.



Cost of renewables



Climate activism intensifies

- The Coalition Government won power in September 2013. This was followed by three Prime Ministers (Tony Abbott, Malcolm Turnbull and Scott Morrison), each with his distinctive slant on energy and climate policies.
- The last decade has seen the cost of renewables come down steadily and renewables become a key factor in the lowering of emissions.
- The last decade has also seen intensified climate activism by NGOs and special interest groups, including environmental groups, consumer groups and investor groups. There has also been a major increase in the size and number of bodies lobbying government for favorable policies and competing for government largesse.

- Since 2013, EPIA has published over 30 Public Policy Papers, covering most important energy policy issues, including energy security, energy governance, climate change, market regulation, market reform, government intervention in markets, energy technology and innovation. At all times, the Institute has remained apolitical.



Energy Security Board

- In 2017, following the Finkel Review into the Future Security of the National Electricity Market, the Coalition of Australian Governments (COAG) established an Energy Security Board to implement the review recommendations. The ESB was later disbanded.



Decarbonisation

- In February 2019, the Institute held a decarbonisation forum, highlighting Australia's distinctive position as an energy producer and exporter.



Energy Policy Blueprint promulgated

- In 2019, the government started work on a Low Emissions Technology (LET) Investment Roadmap, which the Institute had long been advocating.

- At the end of 2019, the government promulgated the Three Pillars of what it called its "Energy Policy Blueprint":
 - First, delivering an affordable and reliable energy system (increasing reliable electricity, increasing gas supplies)
 - Second, putting energy consumers first (improving market transparency, reducing bills and dealing with misconduct) and
 - Third, taking real and practical action to reduce emissions and meet our international commitments (by 2030, to reduce emissions by 26-28% below 2005 levels).



EPIA submission to COVID-19 Commission

- In March 2020, the COVID-19 pandemic largely paralysed the nation. The Commonwealth abolished the COAG process and established a National COVID-19 Coordination Commission.

- In May 2020, EPIA submitted to the COVID-19 Commission that there was a need for a national energy plan with three goals:
 - Goal 1: Economic growth via a resilient and diverse energy system
 - Goal 2: Decarbonisation and technological innovation in pursuit of the aspirational goal of global net zero emissions by 2050
 - Goal 3: Enhanced energy productivity.



First LET Statement issued

- In September 2020, the Government issued its first Annual LET Statement. It singled out five technologies for priority treatment: (1) clean hydrogen (2) energy storage (3) low carbon materials (4) CCS and (5) reduction of soil carbon. The Commonwealth agreed to provide funding support for the five priority LETs through ARENA and the CEFC.

- Government support for coal, LNG and uranium exports was maintained but nuclear power remained banned despite recommendations to lift the ban by the SA Royal Commission and by Commonwealth and NSW Parliamentary Inquiries.



NSW Electricity Roadmap

- The Government announced a Technology Investment Advisory Council as an enduring institution to advise it on the annual LET Statements. The ACTU criticised the LET Roadmap as lacking a destination.
- In November 2020, NSW adopted a radical Electricity Infrastructure Roadmap subtitled ‘Building an Energy Superpower.’ It was aimed at boosting investment in renewable energy and pumped hydro projects. It established a state-owned Energy Corporation and a ‘Consumer Trustee’ to coordinate and support infrastructure delivery.



EPIA re-emphasises national energy plan

- More than ever before, EPIA pushed for a national energy plan to address demands to achieve net zero emissions by 2050 but taking account of the legitimate needs of our export customers.
- Regular strategic reviews of energy policy would still be necessary, as EPIA originally called for in 2012.



EPIA accentuates geopolitics

- A national energy plan needed to be set in its proper geopolitical context. A national energy plan, and its regular strategic reviews, needed to take to be characterised by integrity and truth and be apolitical.
- In July 2020, EPIA published a ground-breaking paper by the Mining and Energy Union supporting the call to lift the Australian ban on nuclear power.



Change in Government

- In 2021, a new Federal Labor Government was installed. The new government set about accelerating the Energy Transition with its Net Zero emissions policy, setting emissions reduction targets of 43% below 2005 levels by 2030 and Net Zero by 2050. The government established a Net Zero Authority to foster the economic opportunities.
- The new government revealed a policy propensity for ‘picking winners’, pushing the case for Australia to become a renewable energy ‘superpower’. EPIA pushed for energy security as a policy priority and the need for market mechanisms to drive policy formation. EPIA was not invited to serve on the Net Zero Authority.



Need for market-driven reforms

- In August 2023, after an interval of nine years, EPIA published an updated paper by leading consultant Jim Snow reiterating the need for market-driven reforms and the perils of government policy interventions in energy markets and the need for market-driven reforms.
- In September 2023, the new NSW State Government engaged external consultants Marsden Jacob to review the former government’s energy policies.



Who are we?

- EPIA is Australia's only apolitical, not-for-profit, energy policy body.
- We provide a mechanism by which all stakeholders in Australian energy may collaborate on risks and concerns impacting on energy finance, production, supply and export, where those risks may not have been fully addressed by existing industry organisations.
- We acknowledge all environmental concerns as well as the paramount interest of the public in having access to reliable, affordable, and clean energy.
- We reinforce the work of related industry organisations and the community.

What sets us apart?

- We aim at making Australia a safer place to invest. We are independent and apolitical. We are technology – neutral and we don't lobby on behalf of sectoral or individual member interests. We are the only body that is dedicated full-time to this topic. We are affiliated with the US Energy Association in Washington DC.

EPIA is distinct from:



What we do

- We cut through the congestion of the public and social media and lobbyist noise. We promote sound policies that make a real difference.

Energy Policy Institute of Australia
<http://www.energypolicyinstitute.com.au/>