

4 March 2021

Renewables Tasmania
Department of State Growth
GPO Box 536
HOBART TAS 7001

By email: renewableenergy@stategrowth.tas.gov.au

Draft Tasmanian Renewable Energy Coordination Framework

Aurora Energy welcomes the opportunity to provide input to the Tasmanian Renewable Energy Coordination Framework (the Framework).

Aurora Energy supports the aspiration of the Tasmanian Renewable Energy Target (TRET) and the intent of the draft Framework to deliver renewable energy projects in an orderly, sustainable and integrated manner.

Aurora Energy agrees that significant opportunity exists for the Tasmanian energy sector to support achievement of the TRET. It is important that a number of considerations are made in the design of any supporting regulatory and/or market mechanisms to promote investment, fairly allocate risks to market participants and to encourage the best possible prices and economic returns for Tasmanians. In particular, supporting mechanisms should:

- avoid intervention in competitive markets by using competitive market signals rather than off market mechanisms to incentivise investment or to allocate risk;
- be competitively neutral, avoiding Government support that favours one technology over another;
- have a clear and enduring methodology that will withstand energy market disruption over the next 20 years;
- ensure that Tasmanian consumers only pay for investments for which they will receive commensurate benefit (particularly as the TRET is beyond the energy needs of Tasmania); and
- where prudent, maximise the economic benefit to Tasmania through complementary policies that support increased and long lasting employment and productivity improvements in the State's economy.

Should policy and regulatory mechanisms not be designed consistent with these principles, Aurora Energy considers that there is a perverse risk that they may impede investment, unfairly allocate risk, undermine commercial viability of market participants, or potentially introduce an unnecessary increase in energy prices for Tasmanian consumers.

Aurora Energy also notes that while the TRET is a target to increase renewable energy generation specifically, it is important that the Government remains committed to complementary policy mechanisms to support energy efficiency and other demand-side measures. These measures will act in the same way as the TRET to increase Tasmania's opportunity to contribute to the nation's renewable energy transition. A focus on energy efficiency of Tasmanian customers has the additional benefit of improving energy affordability for Tasmanian customers.

Aurora Energy welcomes the Government's consultative and inclusive approach taken for consultation on the Framework, and encourages Renewables Tasmania to continue to engage with the energy businesses in the development of any supporting mechanisms to ensure there are no unintended consequences for market participants or Tasmanian customers.

Should you have any questions regarding this submission, please contact Hayden Moore, Strategy and Policy Manager at hayden.moore@auroraenergy.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. E. L.', with a long horizontal flourish extending to the right.

Kate Gillies
General Manager People and Commercial Services