

9 September 2020

Department of State Growth
GPO Box 536
HOBART TAS 7001

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

Draft Tasmanian Renewable Energy Action Plan

Aurora Energy welcomes the opportunity to provide input to the Tasmanian Renewable Energy Action Plan (the Action Plan).

Aurora Energy applauds the Government's ambitious emissions reduction target and proposed Tasmanian Renewable Energy Target (TRET), as well as the intent of the draft Action Plan's policy objectives to support Tasmanians through increased economic development and affordable energy prices. Aurora Energy agrees that significant opportunity exists for the Tasmanian energy sector.

In particular, Aurora Energy supports policy objectives that empower Tasmanian consumers with the tools and information they need to best manage their energy use and costs. This aligns closely with Aurora Energy's strategy to transform how Tasmanians experience energy, by delivering tailored products and services that are valued by customers.

While the aspiration of the TRET and draft Action Plan is to be commended, and is supported by Aurora Energy, it is important that a number of considerations are made in the design of any supporting regulatory and market mechanisms. Specifically, in order to promote investment, fairly allocate risks to market participants and to encourage the best possible prices and economic returns for Tasmanians, the policy and regulatory mechanisms that support the TRET should:

- use competitive market signals to incentivise investment or to allocate risk;
- be competitively neutral, avoiding Government support that favours one technology over another and avoiding intervention in competitive markets;
- have a clear and enduring methodology, understanding that the energy market will continue to evolve and experience disruption over the next 20 years;
- ensure that Tasmanian consumers only pay for investments where they 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.

A failure to design the policy and regulatory mechanisms consistent with these principles will risk the successful achievement of the TRET and the Government's policy objectives as outlined in the draft Action Plan. In particular, it may impede investment, unfairly allocate risk, undermine commercial viability of market participants, or unnecessarily increase energy prices for Tasmanian consumers.

Aurora Energy welcomes the Government's broad and inclusive approach taken for consultation on the draft Action Plan and strongly supports this continuing through the design of the policy and regulatory mechanisms that support the TRET, particularly noting how important its detailed design will be to all Tasmanian market participants.

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 'Rebecca Kardos', with a large, stylized initial 'R'.

Rebecca Kardos
Chief Executive Officer/Managing Director