

Energy Ministers' Meeting

8 June 2022

4.00 pm – 5.30 pm (AEST)

Microsoft Teams

NO	ITEM	RESPONSIBLE
1.	Welcome, apologies & acceptance of agenda	The Hon Chris Bowen MP
2.	Introduction from incoming Commonwealth Minister	The Hon Chris Bowen MP
3.	Briefing on current energy market	Energy Market Bodies
	<i>Action: Ministers note briefing on current challenges in the energy market</i>	
4.	Roundtable discussion on immediate and long term priorities and opportunities for Energy Ministers	All Ministers
	<i>Action: Ministers discuss priorities and opportunities</i>	
5.	Immediate actions ahead of next Energy Ministers' Meeting and timing	The Hon Chris Bowen MP
	<i>Action: Ministers agree immediate priorities and actions</i>	
6.	Other business	The Hon Chris Bowen MP

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Meeting Communique

Wednesday 8 June 2022

ENERGY MINISTERS MET VIRTUALLY TODAY FOR THE FIRST ENERGY MINISTERS MEETING CHAIRED BY COMMONWEALTH MINISTER FOR CLIMATE CHANGE AND ENERGY, THE HON CHRIS BOWEN MP.

ENERGY MINISTERS FOCUSED ON IMMEDIATE ACTIONS TO ADDRESS THE CURRENT PRICING CHALLENGES IN THE EAST COAST ENERGY MARKET.

Energy Ministers acknowledged the current challenges facing the east-coast energy market are significant but provide an opportunity for the Commonwealth, states and territories to work collaboratively, with the support of the market operator and regulator, to ensure all Australians continue to have access to reliable and affordable energy.

Energy Ministers were briefed by the Australian Energy Market Operator (AEMO), the Australian Energy Market Commission (AEMC) and the Australian Energy Regulator (AER) on the current volatility and high prices in the energy sector, and on potential actions to investigate further to add confidence to the market and build in future resilience.

Energy Ministers noted the situation is complex and may change quickly. While there is no silver bullet to resolve the current and varied issues, Energy Ministers noted the actions which have already been taken by industry and market bodies, including AEMO invoking the Gas Supply Guarantee to increase gas flows from Queensland LNG producers to domestic markets.

Energy Ministers agreed governments must be ready to act to implement further measures should they be deemed consistent with both our domestic and international commitments.

Energy Ministers have trust in the energy market bodies who operate and regulate the system, and will continue to receive regular briefings as the situation progresses.

Energy Ministers agreed a number of actions that can be progressed immediately, to help settle and restore confidence in the market both in the short and medium term, including:

- All relevant Energy Ministers, working with ministerial counterparts, continue working with industry to ensure sufficient gas and black coal is provided in the near term to the domestic market, including working with relevant state rail authorities to secure access for domestic black coal supply, and with power station operators to get generation back online as quickly as possible.
- Energy Ministers recognised large amounts of clean generation, storage and transmission is required and agreed that Senior Officers would collaborate and report back to Energy Ministers on the potential for the aggregation of renewable energy and storage projects across the nation. This would help identify significant supply chain and onshoring

opportunities for manufacturing, minerals processing, and to manage global equipment supply and cost issues.

- Energy Ministers agreed to advance the work on a capacity mechanism as a priority to bring on renewables and storage to support stability for the national energy market.
- Energy Ministers noted the existing gas transparency reform package has been recently introduced into the South Australian Parliament and will be passed shortly. Energy Ministers have agreed to consider additional legislative reform options in July to enable new gas and electricity contract market monitoring powers as an immediate priority, for introduction into the South Australian Parliament to ensure the AER has the full information and visibility it needs.
- Energy Ministers reminded generators of their obligations to the AEMO to maintain up-to-date information regarding availability through existing frameworks– to ensure efficient and transparent system operation.
- The AER continues its close market monitoring, including of participant conduct, using voluntary and statutory powers, with regular reporting to Energy Ministers.
- AEMO will provide an urgent update on the east coast gas supply and demand situation, including identification of any market constraints and provide advice to Energy Ministers by July on further actions Energy Ministers and the Commonwealth may need to take.
- The AEMC will urgently re-examine its 2021 Review of the Retailer of Last Resort scheme, and provide updated recommendations to Energy Ministers in July, to improve resilience in the system and better manage retailer failures, informed by recent events and in light of sustained pressures in the NEM.
- Energy Senior Officials are instructed to prepare and submit an urgent rule change to assist AEMO to manage peak day gas supply shortfalls by enabling them to better utilise storage.
- Energy Senior Officials are instructed to bring back a broader package of gas market proposals to Energy Ministers in July, including the Gas Supply Guarantee mechanism, to support a more resilient, efficient and transparent east coast gas market including more effective utilisation of storage and demand management, further transparency measures if required and development of a forward work agenda on managing transition issues in the gas market.

Further to these joint actions, the ACCC, as part of its ongoing Inquiry into the National Electricity Market, will report back to Energy Ministers in July. At this time the AER will also provide initial views on recent market dynamics, with a particular focus on matters including bidding behaviour and the ability of generators to access gas and coal on reasonable terms.

While the focus of the meeting was on the current pricing challenges, Energy Ministers reinforced the critical importance of a sensible, considered reform agenda for the medium to longer term, to position the sector to be more resilient and able to navigate future global or domestic challenges to ensure a secure energy sector that will underpin a modern and low carbon economy, including hydrogen.

Against this backdrop, and in a new era of cooperation and collaboration, Energy Ministers agreed the time is right to work together on a new agreement to set the vision for Australia's energy sector transition to net zero.

To this end, Energy Ministers have tasked Energy Senior Officials to work together intensively ahead of the Ministerial meeting in July to consider how a new agreement could reframe and reset existing

priorities, frameworks and governance to ensure the sector can chart the course out of the current challenges, and set the sector up for a stable transformation towards decarbonisation.

The July meeting will be an important opportunity to reinforce and support existing reforms including progressing the important Post-2025 market reform work, and in particular work on a capacity mechanism to support renewables and storage, as well as considering what new supply and demand side reforms are needed.

Governance

Energy Ministers are expected to meet face to face in July 2022, for the first time since 2019. Energy Ministers may convene additional virtual meetings prior to then as required to progress the agreed actions.

Energy Ministers reflected on feedback provided by the energy stakeholders when discussing practical governance improvements they will make to the operation of the Energy Ministers' Meeting and thanked energy market bodies for their advice.

Membership

The Energy Ministers' Meeting comprises Commonwealth, State, Territory and New Zealand Ministers responsible for energy.

Commonwealth (Chair)	The Hon Chris Bowen MP, Minister for Climate Change and Energy
New South Wales	The Hon Matthew Kean MP, Treasurer, Minister for Energy
Victoria	The Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change, Minister for Solar Homes
Queensland	The Hon Mick De Brenni MP, Minister for Energy, Renewables, and Hydrogen
Western Australia	The Hon Bill Johnston MLA, Minister for Mines and Petroleum; Energy; Corrective Services; Industrial Relations
South Australia	The Hon Tom Koutsantonis MP, Minister for Energy and Mining
Tasmania	The Hon Guy Barnett MP, Minister for Energy and Renewables
Australian Capital Territory	Mr Shane Rattenbury MLA, Minister for Water, Energy and Emissions Reduction
Northern Territory	The Hon Selena Uibo MLA, Minister for Renewables and Energy
New Zealand	The Hon Dr Megan Woods MP, Minister of Energy and Resources

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