



Bill Shorten and Mark Butler
Leader of the Opposition and Shadow Minister for Climate Change and Energy
Parliament House
Canberra 2600

By email
October 22, 2017

Dear Bill and Mark

Re: The National Energy Guarantee

LEAN understands that there are many factors in play in relation to how Labor responds to the Government's latest energy policy proposal, the National Energy Guarantee. We understand these relate not only to the complex policy questions but the politics as well.

LEAN has long been a supporter of Labor's preparedness to try and "end the climate wars" and build a bi-partisan solution in the interests of all Australians. Our membership however, has expressed concern about the efficacy of the latest proposal not only to drive down emissions and grow the renewable energy sector but to protect the interests of consumers, particularly on price and market concentration.

We are very heartened to hear Mark Butler and other senior Labor figures in recent days reiterate Labor's commitment to the energy transition and 50% renewable energy by 2030.

Our members are keen to hear what LEAN thinks and that we advocate for their concerns. **Toward this end we request that you keep us briefed as this issue progresses.** We appreciate the time Mark has taken to brief us so far.

We reiterate some key principles that LEAN believes should govern Labor's approach:

- Clear defence of Labor's 50% renewable energy target by 2030 and 45% economy wide emissions reduction
- Clear pathway to ramping up any policy adopted to deliver greater emission reduction targets under Labor's leadership – that reflect Labor's renewable energy ambition and the potential efficiency of the electricity sector delivering a greater share of economy wide emission reductions.

- Continued funding for ARENA and CEFC.
- The NEG has obvious potential to further undermine competition and create greater market concentration, allowing existing oligopolies to increase their current practice of acting against the interests of consumers and the wider economy. This must be avoided.
- Ensure that the electricity transmission system and electricity market regulations facilitate - and do not constrain - the transition to geographically and technically diverse means of renewable generation and storage, encompassing not just large specialist power generators, but also other companies, individuals, and communities.

Thanks.

Yours sincerely

A handwritten signature in black ink that reads "Felicity Wade". The signature is written in a cursive, flowing style.

Felicity Wade
National Co-convenor
Labor Environment Action Network (LEAN)