



Mark Butler

Federal Member for Port Adelaide



Felicity Wade
National Co-convenor
Labor Environment Action Network

Dear Felicity,

Thank you for your letter to Bill Shorten and myself regarding the Government's latest energy thought bubble; the National Energy Guarantee (NEG). Mr Shorten has asked that I respond on behalf of both of us.

As you and your members would have likely noticed, Labor is not impressed with the Government's latest thought bubble.

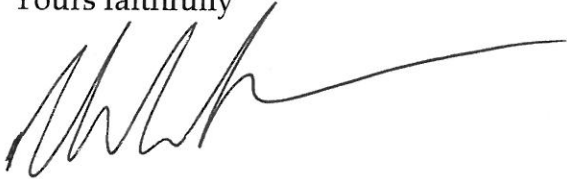
We now know with certainty this policy was shambolically prepared, without any input from key government agencies, states or other stakeholders, without any detailed analysis and without any modelling. Even though it is a mechanism that will require state government implementation, states were left in the dark, not only by the Commonwealth Government but by their own COAG agencies. The letter from the Energy Security Board containing the proposal is vague, lacks any detail and cannot in any serious way constitute a credible energy policy. Labor has consistently said that we would look at the details, but these have yet to be provided by the Government.

The one thing that is clear from the Government on their NEG is they are promising to use it as an attack on renewable energy. Their projections of renewables share of electricity generation under their NEG is as little as 28 percent by 2030. This is seven percent lower than the Chief Scientist said would occur without any policy in place. It would mean only 250 MW of new renewables each year to 2030, when in the last year alone, Australians put 750 MW of solar on their roofs. So the Government's vision is for a two thirds cut to current numbers of rooftop solar installations and not a single large-scale project being built for a decade. This is a policy that promises to strangle renewables, for at most a lousy 50 cents off power bills in three years' time. This is not acceptable to us.

Please inform your members that Labor will not budge one inch from our commitment to renewable energy and real action on climate change. In particular, we remain steadfast in our commitment to ensuring that 50 percent of Australia's electricity is generated from renewables by 2030, as well as our commitment to a 45 percent economy wide emission reduction target. We will continue to support ARENA and the CEFC, which we view as important Labor legacy agencies. As Mr Shorten announced during his speech to the Australian Financial Review Energy Summit recently, Labor will create Renewable Energy Zones and support the connection of these zones to the national grid, to further support the transition to clean energy. And we will certainly not sign onto an energy policy that attacks rather than supports renewables, or that increases the market power of gentailers rather than putting consumers at the centre of policy.

Please thank your members for their great work in fighting for climate justice and keep up the great work.

Yours faithfully

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

MARK BUTLER

25/10 /2017