

Media Release

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Energy efficiency industry backs Garnaut

The Energy Efficiency Council supports Ross Garnaut's latest finding, that better regulations could limit the dramatic increase in energy prices.

Ross Garnaut's eighth climate change paper "Transforming the electricity sector" was released last night in Melbourne. The paper states:

- Energy prices for households have risen more than 32 per cent in the last three years, much faster than prices in other developed countries
- The main factor driving up energy bills is spending on the network (poles and wires)
- Poor regulation discourages investment in energy efficiency and cogeneration and encourages network companies to over-invest in poles and wires

"Ross Garnaut is absolutely right – energy bills are rising dramatically because the regional monopolies that manage the network are planning to spend over \$39 billion on poles and wires over five years. These costs are passed straight on to consumers," said Rob Murray-Leach, CEO of the Energy Efficiency Council.

"If we fix the energy market we can reduce these price rises. If we invest in energy efficiency and cogeneration we don't need to spend as much on poles and wires and this helps keep energy affordable," said Rob Murray-Leach.

This isn't just theory. The Townsville Solar City project just managed to reduce peak demand on Magnetic Island by 20 per cent, deferring \$17 million investment on an undersea cable.

"Ross Garnaut has confirmed what the Energy Efficiency Council has been saying for years. The National Electricity Market currently discourages investment in energy efficiency and cogeneration, which increases energy costs for homes and businesses," said Rob Murray-Leach.

The Energy Efficiency Council recommends that all sides of politics sign up to a package of measures, which includes:

- A National Energy Saving Initiative to help homes and businesses save energy. This would also cut red-tape by replacing three existing state schemes
- Reforming the energy market to ensure that we invest in energy efficiency and cogeneration when they are cheaper than investing in supply-side options

"The Prime Minister's Task Force recommended a National Energy Saving Initiative that would cut investment in infrastructure by \$12 billion, reduce energy prices by 6 per cent and save households up to \$296 a year. It's not radical – California and the UK have been doing this for years," said Rob Murray-Leach.

Energy efficiency is a win-win for industry and consumers. Australia needs to invest in energy efficiency to protect households and make businesses more competitive," said Rob Murray-Leach.

The Energy Efficiency Council is the peak body for energy efficiency in industry and commercial buildings. For more information visit www.eec.org.au or contact Rob Murray-Leach on 0414 065 556 or ceo@eec.org.au