



Ms Edwina Johnson
Assistant Secretary, Safeguard Mechanism
Department of Climate Change, Energy, the Environment and Water

Submitted electronically

11 August 2023

Dear Edwina,

Re: Consultation on guidelines for setting international best practice benchmarks in the Safeguard Mechanism

The Energy Efficiency Council (EEC) welcomes the opportunity to comment on the Department's consultation paper on setting international best practice benchmarks for the Safeguard Mechanism (SM). The EEC is Australia's peak body for energy efficiency, energy management and decarbonisation.

The EEC supports the Government's intended approach to setting best practice production variables for new entrants in the SM. Requiring best practice for new investments is the only viable policy setting in the SM that could be consistent with achieving net zero emissions by 2050 and aligns with the EEC's position of encouraging domestic decarbonisation in Australia to achieve our emissions reduction targets.

Broadly, the framework and guidelines for setting best practice guidelines are reasonable and fair to both the interests of business and the community that will bear the costs of climate change. The guidelines and framework are fit-for-purpose and the EEC supports the principles of setting international best practice benchmarks that are effective, consistent, practical and robust.

The process outlined in the consultation paper for setting international best practice production variables is rigorous and should deliver sound outcomes, but will be resource-intensive. The EEC therefore encourages the Government to allocate adequate resources for setting baselines and production variables for new entrants to encourage investments in efficient and low-emissions technologies, maintain the integrity of the scheme, and ultimately ensure Australia meets its carbon budget.

For further information on matters discussed in this submission, please contact Alex St John, EEC Senior Advisor, Policy and Research at alex.stjohn@eec.org.au.

Regards

A handwritten signature in black ink, appearing to read 'Jeremy Sung', is written over a horizontal line.

Jeremy Sung
Head of Policy
Energy Efficiency Council