



7 February 2014

Energy White Paper Taskforce
Department of Industry
GPO Box 1564
CANBERRA ACT 2610

via email: EWP@industry.gov.au

Dear Margaret

Centennial Coal welcomes the opportunity to respond to the Energy White Paper Issues Paper.

We consider the 2014 White Paper provides an important opportunity to refocus Australia's energy policy framework on the fundamental objectives of delivering secure, adequate, reliable and competitively priced energy to Australian businesses and households.

In recent times, energy policy development in Australia has been dominated by measures aimed at achieving climate objectives with other fundamental objectives stated above taking a back seat, and this has been a contributing factor in rising electricity prices and investment uncertainty. While the need to reduce energy sector emissions remains, it will be essential that the EWP comprehensively explores – and ultimately seeks to rebalance – this priority against our broader energy security goals. The removal of the carbon tax and review of the Renewable Energy Target (RET) will be a key part of this process.

Centennial Coal considers that the EWP must acknowledge the important and enduring contribution of the coal industry to Australia's energy security and economic prosperity. We recommend that the 2014 EWP:

- Prioritise energy security objectives in light of the challenges currently facing the energy sector. Many of these challenges arise from, or are exacerbated by, inefficient green schemes and a regulatory framework which impedes investment. These must be addressed as part of the White Paper process.
- Take account of the experience of European nations which have pursued aggressive and ultimately unsustainable renewable energy programs at great economic cost.
- Recognise that low emission fossil fuel technologies such as HELE and CCS will enable Australia to continue to utilise its abundant coal resources with significantly lower emissions. Policies to support the development and demonstration of low emission technologies must be implemented on a technology and fuel neutral basis.
- Establish policy and regulatory settings which will ensure that the enormous contribution of coal to Australia's economy will continue. Policy settings which facilitate investment and address current inefficiencies in project approvals will be important to maintaining the industry's international competitiveness.

- Be informed by updated energy sector scenario modelling which explores a variety of scenarios with sensitivity analysis across key inputs such as fuel costs (particularly gas prices), technology availability and policy settings (such as the RET). The AETA 2013 Refresh of LCOEs will be a key input to this modelling and accordingly must be based on the best-available and most recent technology data.

We intend to provide a supplementary submission to the EWP Taskforce which further elaborates on these key recommendations. Please don't hesitate to contact me on (02) 9266 2700 should you wish to discuss any aspect of our submission.

Yours sincerely,



David Moulton
Managing Director & CEO