7th August 2019

AUSTRALIAN ALUMINIUM COUNCIL LTD
PO Box 63, Dickson
ACT 2602
Ph: 6267 1800
info@aluminium.org.au

Energy Security Board
c/- COAG Energy Council Secretariat
Department of the Environment and Energy
GPO Box 787
CANBERRA ACT 2601

By email: info@esb.org.au

CONSULTATION ON DRAFT METRICS FOR THE STRATEGIC ENERGY PLAN

Thank you for the opportunity to provide a submission to the Consultation on Draft Metrics for the Strategic Energy Plan. This submission is made on behalf of Australia's aluminium industry, and covers the significant electricity use and economic activity associated with aluminium smelters and alumina refineries connected to the National Electricity Market (NEM).

The Aluminium Council appreciates that we were provided the opportunity to participate in workshops that informed the development of the draft metrics. It is critical to have a set of measurable indicators that can be used to assess progress of the Strategic Energy Plan and the extent to which tangible outcomes are being delivered in the NEM, particularly for consumers. We are supportive of the approach outlined and the set of metrics proposed.

Range and Priority of Metrics

The Council supports the full package of metrics but we consider it important that a smaller number of metrics be identified as 'priority' and that these be the primary factors used in assessing progress and performance. We suggest that "Representative C&I energy prices. Comparison with international counterparts" is included within this priority set of metrics. We also strongly support the proposal for separate benchmarks for transmission connected customers and other C&I customers, given the substantial difference in contracting arrangements.

Information to report on C&I energy prices

Contractual arrangements and prices for electricity are commercially sensitive information in industries where electricity is a significant component of costs – such as aluminium smelting. It will be challenging to access reliable global benchmark information on which to make international comparisons. The Aluminium Council would be happy to work with ESB to identify methodologies and sources of third party information that can be used to track this metric.

Thank you again for the opportunity to provide a submission to the Consultation on Draft Metrics for the Strategic Energy Plan. I am happy to provide further information on any of the issues raised in this letter and look forward to working further with the ESB on these matters.

Yours sincerely

MILES PROSSER
EXECUTIVE DIRECTOR
AUSTRALIAN ALUMINIUM COUNCIL
T 02 6267 1800
M 0429 923 605
miles.prosser@aluminium.org.au