



AUSTRALIAN  
ALUMINIUM  
COUNCIL LTD

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Department of Climate Change, Energy, the Environment and Water  
<https://consult.dcceew.gov.au/safeguard-mechanism-production-variables-update>

11 August 2023

Dear Minister Bowen

***Re: National Greenhouse and Energy Reporting (Safeguard Mechanism) Amendment (Production Variables Update) Rules 2023.***

The Australian Aluminium Council (the Council) represents Australia's bauxite mining, alumina refining, aluminium smelting and downstream processing industries. The industry includes six bauxite mines, six alumina refineries and four aluminium smelters; in addition to downstream processing including more than 20 extrusion presses.

The Council welcomes the opportunity to provide feedback to the National Greenhouse and Energy Reporting (Safeguard Mechanism) Amendment (Production Variables Update) Rules 2023 (the Rules) as part of the Safeguard Mechanism reforms. Schedule 1 of the Rules inserts a new default emissions intensity for aluminium reflecting updated perfluorocarbon (PFC) emissions data for aluminium smelters. The industry average PFC emissions have been increasing as a direct result of the increased role of smelters in stabilising the Australian electricity market since 2016, in support of Government policies for increased renewable energy penetration in the grid. The Council appreciates the consultation with the Department to address this increase.

The Council notes, the ongoing increasing trend in use of demand management (including smelter interruptions), as part of the Australian Energy Market Operator's (AEMO) strategy to maintain grid stability in the National Energy Market (NEM, with increasing penetration of variable renewable electricity). This may require future reviews of PFC data and correlated smelter interruptions.

The Council seeks a national climate and energy policy framework which is equitable, transparent, stable and predictable, while maintaining the economic health of the nation where import and export competing industries hold a vital role. The Council wishes to continue to work with the government to achieve optimal outcomes for the Australian industry, through 2030 and beyond.

Kind regards,

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