



MEDIA RELEASE

MINERALS COUNCIL OF AUSTRALIA

IEA backs market-based solutions, CCS for low-emissions energy future

Statement from David Byers, Interim Chief Executive, Minerals Council of Australia

Australia's minerals industry welcomes support from the International Energy Agency (IEA) for a market-based approach to low-emissions technology, combined with better system planning to avoid high costs and system disruptions.

We also welcome the IEA's acknowledgement of Australia as a "cornerstone" of global energy markets through its position as a leading supplier of coal, uranium and LNG, securing energy for growing Asian markets.

The IEA's *2018 Review of Australia's Energy Policies* recommends the Australian Government should ensure that low-emission technology support is market-based and guided by locational signals, supported by energy system-wide network planning.

The IEA also stated that: "Australia is well placed to demonstrate cutting-edge technologies, including concentrated solar power, battery storage and carbon capture and storage (CCS)" and urged Commonwealth and State Governments to step up support for technology R&D and commercialisation, including through ARENA and the CEFC.

This is consistent with the long-held view of the Australian minerals industry that technology neutrality and competitive markets should underpin Australia's energy policy.

A competitive energy market is the best way to deliver affordable, reliable and lower emissions energy. However, successive Federal and State government policy interventions have distorted market signals and led to increased prices and reduced reliability.

Over the past decade, Australia has moved from having some of the lowest to some of the highest energy costs in the developed world. Australia needs to restore its international comparative advantage of reliable, low-cost energy while meeting its emissions reduction targets.

Australia should take a technology-neutral approach to all low emissions energy sources, including renewables, gas, nuclear, advanced coal technologies such as High Efficiency, Low Emission (HELE) generation plant and CCS.

Australian coal producers have established the unique COAL21 initiative to generate funding for CCS and other low-emission coal technology projects. The COAL21 Fund co-invests with government, electricity generators, equipment suppliers and other investors, is funded by a voluntary levy on coal production and has so far committed \$300 million to projects.

As Dr Fatih Birol has noted, CCS is an important mechanism to efficiently deliver long-term climate goals. Industry should continue to work with governments to facilitate wider deployment of CCS technologies.

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