

## ESB welcomes approval from National Cabinet

The Energy Security Board (ESB) welcomes confirmation today of [approval of the Post-2025 reform recommendations by the National Cabinet](#). The reform is about changes needed to the National Electricity (NEM) to integrate small and large scale renewable generation into the system.

Following the agreement from Energy Ministers in late September, this Cabinet endorsement paves the way for further design development with stakeholders to ensure the NEM is fit for purpose up to 2025 and beyond.

The recommendations relate to a significant body of work undertaken over the past two years, resulting in reform pathways with immediate, initial and long-term changes set out to address the needs of the energy sector as it undergoes its major transition. Many of the immediate activities are already being progressed.

Chair of the ESB Dr Kerry Schott said: "This support recognizes the need for these interrelated reforms to deliver an affordable, reliable and secure electricity system for customers moving forward.

"With the rapid changes across the electricity system, we need to make sure that we have measures in place to keep the system secure, have reliable supplies, make the most of our abundant renewable resources and deliver affordable supply to customers as we transition.

"Delivering these reforms won't happen overnight in a big bang, but there are some immediate needs to get on with," she said.

Some of the recommendations require further detailed design and the ESB will be commencing those design processes. In particular, Ministers have requested further work on a capacity mechanism that specifically values capacity in the NEM as an addition to the 'energy only' market value. Ministers also requested more consultation on the congestion management approach for transmission as more and more renewables connect.

As with the development phase of the Post-2025 program all further design work will involve deep consultation with stakeholders. The ESB and market bodies look forward to working together with interested parties to address concerns and issues raised, making sure the future arrangements are fit for purpose.

"The ESB has received substantial input from a diverse range of stakeholders in developing these recommendations. We welcome the thoughtful feedback that has been received as part of the policy development phase and look forward to continuing engagement with stakeholders to now deliver these reforms," Dr Schott said.



The Energy Security Board has five members:

Kerry Schott AO	Independent Chair
David Swift	Independent Deputy Chair
Clare Savage	Chair of the Australian Energy Regulator
Anna Collyer	Chair of the Australian Energy Market Commission
Daniel Westerman	CEO of the Australian Energy Market Operator

Issued: 29 October 2021

ESB Media Enquiries: Suzanne Falvi: 0407 418 424 / Jo Witters: 0405 983 174

Email: [info@esb.org.au](mailto:info@esb.org.au)