The Northern Territory Government has welcomed a review by the Australian Energy Market Commission (AEMC) into how new sources of electricity like wind and solar power are changing the way Australia’s power system works.

The AEMC was established in 2005 by the Council of Australian Governments (COAG) as part of new governance arrangements to oversee the nation’s main energy markets.

Chief Minister Adam Giles said the review will provide recommendations to the COAG Energy Council, with an interim report due by the end of 2016.

“The recommendations will address changes required to the regulatory framework to meet power system security challenges in the National Electricity Market caused by increasing levels of renewable generation,” Mr Giles said.

“The aim is to maintain the electricity system in a secure and safe operating state which is capable of managing the risk of major supply disruptions and to withstand faults.”

Mr Giles said it’s now acknowledged that rushing into renewables had disrupted system security in South Australia and Tasmania.

“These states have needed to import dirty coal-generated electricity from Victoria during faults or times of peak demand,” he said.

“Labor’s contrived 50 per cent renewables target would distort the electricity market in the Northern Territory and increase the risk of price surges and blackouts.

“Labor’s flawed policy would increase power prices by upwards of 400 per cent.”

Mr Giles said the Northern Territory has lower emissions than most other jurisdictions because most electricity is generated by cost-effective, clean natural gas.

The latest State and Territory Greenhouse Gas Inventories 2014 (released May 2016) show the NT accounted for 12.4 million tonnes of carbon dioxide equivalent (including those from land use, land use change and forestry).

By contrast, Queensland accounted for 146.7 million tonnes and New South Wales 130.2 million.
“The Labor Party wants to set an artificial target to tamper with the Territory’s reliable, low-emissions electricity system,” he said.

“It’s total madness. It would increase the cost of living and drive business out of the Territory.

“Labor has already sent energy exploration companies packing and cost thousands of jobs.”

Mr Giles renewed his call for Labor to release its policy costings immediately.

“They’re deliberately holding back so the policy can’t be scrutinised by Treasury,” he said.

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