



20 April 2018

Without higher emissions reduction targets, investment certainty not guaranteed under NEG

Unless the emissions reduction target is increased under the National Energy Guarantee, the policy risks failing to address investment uncertainty.

“Investors, energy companies and business groups have all acknowledged that the level of ambition under the National Energy Guarantee can and should be increased”, said Emma Herd, Chief Executive Officer of the Investor Group on Climate Change.

“While today’s go-ahead from COAG for the Energy Security Board to continue to work on the National Energy Guarantee is welcome, State and Federal Governments must increase the level of environmental ambition in the scheme to make it work”, said Herd.

“The current emissions reduction target of 26% by 2030 for the electricity sector is inadequate and is not consistent with the agreed goals of the Paris Agreement. Investors know this, energy companies know this, the whole market knows this”.

“The National Energy Guarantee must be paired with an ambitious emission reduction target that can be scaled up over time. Locking in weak targets will stymie potential investment, undermine competition and increase the burden for other sectors of the economy”.

“Investors are looking to Governments to remove barriers to investing in new clean energy infrastructure. Across all energy sources, it is lack of climate policy which is the biggest barrier and unless the targets under the National Energy Guarantee align with Australia’s commitments under Paris, this barrier will not be addressed”.

“Only by tackling this flaw in the design can the National Energy Guarantee deliver on its promise to end the climate wars and provide certainty for investors”.

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About IGCC

The Investor Group on Climate Change (IGCC) represents around 70 Australian and New Zealand institutional investors with over \$2 trillion of funds under management, along with members of the investment community focused on the impacts of climate and energy issues.

IGCC members are invested across the Australian economy and are part owners of most of Australia’s large companies.