



## ESB MEDIA RELEASE

Thursday, 29 September 2022

# ANNUAL HEALTH OF THE NATIONAL ELECTRICITY MARKET REPORT RELEASED

Massive physical investment and purposeful, coordinated policy reform with an unrelenting focus on cost discipline is required to ensure an orderly transition of the National Electricity Market (NEM).

The 2022 Health of the NEM report, released today, identifies key risks including consumer affordability and the interconnectedness of Australia's electricity and gas markets, and reiterates the need for large-scale investment in new transmission, renewable generation and flexible capacity.

ESB Chair Anna Collyer said the NEM is going through an unprecedented period of transformation and we have a shared duty to ensure we have a secure energy system that delivers decarbonised, affordable and reliable energy for all now and into the future.

"The energy transition is a complex coordination exercise on a national scale that will affect all parts of the supply chain," Ms Collyer said.

"Events earlier this year highlighted the types of challenges we face and the bumps that can emerge due to a combination of factors including the pace and scale of change, our exposure to the volatility of global commodities markets and the accelerating retirement of thermal generation.

"Managing those risks and delivering an orderly transition requires urgent market reform and regulatory settings that encourage efficient investment in our energy future."

The report identifies the resilience of market design to cope with changing circumstances and improving the visibility of, and confidence in, available energy supplies – particularly in times of market stress – as emerging priority areas off the back of events earlier this year.

The ESB is required to report annually on the Health of the NEM and progress against objectives set by Ministers in the Strategic Energy Plan. The report outlines market performance against those objectives, greatest risk areas, and actions required and underway to address them.

For the first time, the report is being released alongside the Australian Energy Regulator's (AER) State of the Energy Market report which provides an impartial and comprehensive review of Australia's east coast energy markets.

The reports should be read together to present a full picture of the energy market as it is now, and the challenges ahead as the market transitions to achieve Australia's climate goals.

For more information and to read the report visit: <https://bit.ly/3LGzDLY>

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