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### **Victoria's Air Quality Statement**

The Australian Energy Council (the Energy Council) welcomes the opportunity to make a submission to the Victorian Government's Air Quality Statement. The Energy Council is the industry body representing 21 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the vast majority of electricity in Australia and sell gas and electricity to over 10 million homes and businesses.

The Energy Council supports the Victorian Government in this first stage of its development of a long term air quality strategy. Long term planning is essential to ensure air quality is maintained sustainably alongside industry, economic and population growth. Policy certainty is also critical to ensure businesses can continue to invest in Victoria over the long term.

The Victorian Auditor-General's report correctly identified opportunities for improvements in Victoria's air quality standards such as geographical areas which are not currently monitored by the EPA and unlicensed activities that collectively create significant pollution. The report also noted the Environmental Protection Agency Victoria's (EPA) scrutiny and focus on licensed operators such as power stations.<sup>1</sup> The Victorian clean air strategy should support EPA's ongoing regulatory work in relation to licensed operators but primarily focus on new opportunities to improve standards in unlicensed activities and to investigate air quality in currently unmonitored parts of Victoria.

#### **Regulation of Victorian generators**

We support the ongoing transition towards sustainable energy generation that balances the need for affordability, system stability, and the security of energy supply, alongside safe and environmentally responsible management of emissions.

Victorian generators are subject to rigorous and comprehensive regulation both at the federal and state level. At the Federal level, generators report to the Commonwealth Government on the National Environment Protection Measure National Pollutant Inventory (NEPM NPI) and the National Greenhouse and Energy Reporting (NGER) system. At the state level the primary mechanism for regulating generator emissions is through EPA licences. These licenses are continuously monitored and periodically reviewed and cover the operation of the site, operating conditions and waste discharge limits. In relation to air quality they cover:

- Monitoring requirements which include ambient air monitoring through the Latrobe Valley Air Monitoring Network;
- Reporting requirements to EPA and public performance reports;

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<sup>1</sup> Victorian Auditor-General's Report, *Improving Victoria's Air Quality* March 2018.

- Air discharge limits on stack emissions.

### **Brown coal-fired generators licence review**

EPA is currently reviewing the licences for the brown-coal fired generators in the Latrobe Valley. The Energy Council and its members have been actively engaged in this process and have been supportive of new initiatives that seek to improve on air monitoring techniques based on new science and technologies. This review is likely to result in further improvements to the monitoring and reporting requirements of generators and represents only part of the continuous dialogue between the generators and the EPA, as well as the Latrobe Valley community.

The Air Quality Statement should recognize this important and highly effective existing engagement and seek to avoid unnecessary duplication. The EPA and generators strive to identify the most cost effective, affordable and practical continuous improvement opportunities, recognizing the important contribution of the generators to the Latrobe Valley community and Victoria's economic security. Furthermore, as the Latrobe Valley generates the vast majority of Victoria's electricity, the implications for electricity prices and supply adequacy must remain important considerations for policymakers.

### **EPA Victoria reforms**

We would also like to note the Environment Protection Act reforms which are currently before the Victorian parliament. These reforms will impact significantly on licence holders. Any initiatives taken undertaken during the Clean Air Statement initiative should be harmonised with these incoming changes.

For any questions about our submission please contact Oliver Williams by email at

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Yours sincerely,

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Australian Energy Council