

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Answers to questions on notice
Environment and Energy portfolio

Question No: 259
Hearing: Supplementary Budget Estimates
Outcome: Outcome 5
Program: Energy Division (ED)
Topic: National Energy Market (NEM)
Hansard Page: N/A
Question Date: 24 October 2016
Question Type: Written

Senator Chisholm, Anthony asked:

There have been many calls for reforming the National Energy Market (NEM)? What are the main challenges facing the NEM?

Answer:

The main challenges facing the NEM include maintaining the security, reliability and affordability of energy supply and ensuring regulatory frameworks remain appropriate given the changing environment. These changes include technological changes, an increasingly diversified energy supply mix comprising more intermittent renewable and distributed generation, and changing consumer demand.