

## Response to Grattan Institute Report

ENA 26 March 2018

Energy Networks Australia has acknowledged the latest Grattan Institute Report *Down to the wire: A sustainable electricity network for Australia* and its rejection of risky regulatory intervention that would impact all energy customers.

Energy Networks Australia Chief Executive Officer Andrew Dillon said the report correctly concluded that intervention to force write-downs of all network regulated asset bases would not be an effective way to bring consumer costs down.

“Much of the Grattan report’s analysis is based on assumptions that are challengeable, however the message is clear – forcing a broad write-down of all network asset values will inevitably be detrimental to customers, as it increases regulatory risks and financing costs for all network businesses,” he said.

“Make no mistake, higher financing costs will push up network charges and power bills – it’s bad for industry and bad for consumers.

“Network revenues have actually been falling across the country over the past three years. If it wasn’t for these reductions, household power prices would be even higher than they are.” Read full media release [here](#)

## Demand management is the new black

ENA 22 March 2018 - Irina Umback

Demand management is the new black, following closely behind its contemporaries in the energy innovation space, solar and batteries.

The east-coast heatwaves of Summer 2017 was a key turning point in the emergence of demand management and the results of various trials taking place across the country continue to emerge. Just this week, Canberra distribution network, Evoenergy, announced it has conducted seven successful demand management trials in the past six months, including a Virtual Power Plant comprising more than 400 residential batteries.

Believed to be the largest and most comprehensive trial in Australia, their multi-platform testing provided ‘proof of concept’ that when scaled up their demand management program will prevent load shedding in almost all circumstances. It’s anticipated that by 2020 the ACT will have enough battery capacity for Evoenergy to double the 18-megawatt load that it was able to curtail during the heatwave crisis.

This isn’t just about shiny new tech – there’s a demonstrable benefit to customers. The Electricity Network Transformation Roadmap demonstrates how networks could buy grid support from millions of customers with solar, storage and smart homes through demand response programs, with annual payments worth \$1.1 billion within 10 years. Through such measures, it is projected that up to \$16 billion in network infrastructure investment could be avoided by 2050.

Demand management represents an alternative to building traditional network infrastructure to meet peak demand. It can also address risks associated with equipment failure and delay the retirement or replacement of aging assets.

Arguably, the regulatory framework has historically not had the flexibility to support these alternative solutions. However, the Australian Energy Regulator has recently approved a [Demand Management Incentive Scheme](#) that will encourage the adoption of innovative non-network options that benefit customers through reduced costs over time. The Scheme is the start of a rollout of new arrangements which will see customers incentivised to reduce peak demand or provide network support services that improve the system’s efficiency for everyone.

Read the full report [here](#)



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