



23 March 2015

Networks Support Increased Demand Management

The Energy Networks Association has strongly supported changes to national electricity rules which would support alternative options to manage peak demand, without building new infrastructure.

Energy Networks Association CEO John Bradley said today electricity networks support a level playing field for “non-network” solutions like demand management, to ensure all options are on the table to provide efficient, safe and reliable services to customers.

“The Network sector welcomed this recommendation in the 2012 *Power of Choice* report and it is unfinished business in the energy reform agenda,” Mr Bradley said.

“Electricity networks already evaluate the alternatives to building new network infrastructure through regulatory investment tests, where network expansions are over \$5 million.

“They now release annual planning reports identifying the sections of the network under pressure and potential opportunities for demand management.

“The ENA supports the rule change proposed by the COAG Energy Council and the Total Environment Centre, as one of the final jigsaw pieces in a strong demand management framework,” Mr Bradley said.

Mr Bradley said that in many cases, an investment in poles and wires may be the most efficient way of providing an energy service – but opportunities to defer or avoid capital investment through demand management should be encouraged by electricity regulation if they provide better outcomes for customers.

“The regulatory framework can be improved to support the efficient use of demand management alternatives which benefit the entire community.

“We have seen recent regulatory decisions rejecting significant demand management programs proposed by networks, so there is more work to be done.”

“Network businesses are progressing economic alternatives to building more poles and wires.

“For example Ergon Energy’s Grid Utility Support System will commence employing storage in sections of its SWER electricity network by mid-2015, avoiding network upgrades and delivering better value to customers.

“With the right framework there’s a great opportunity for future innovation in demand management to benefit electricity customers”, Mr Bradley said.

ENDS.

Download the ENA Submission on the Demand Management Incentive Scheme [here](#)

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ENA is the peak national body for Australia’s energy networks; and represents gas distribution and electricity network businesses on economic, technical, environment and safety regulation as well as national energy policy issues.