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Grid modernisation report: welcome bipartisanship

Energy Networks Australia today welcomed the “Powering Our Future” report by the Standing Committee on the Environment and Energy.

Energy Networks Australia CEO, Andrew Dillon said the report recognises that the future of our electricity system requires big thinking and collaboration to progress secure, reliable and affordable energy.

“We must get this right, and the way to do that is through co-operation to successfully navigate the transformation,” he said.

“The inquiry has made some positive recommendations to be progressed through national energy institutions.”

The report considered increased interconnection as a way to bolster reliability of the energy system with a recommendation for the Australian Energy Market Operator (AEMO) to undertake further work.

The committee also recommended examining whether new transmission is required in parts of the grid as part of planning for renewable energy zones.

“Energy Networks Australia supports further strengthening of the NEM, which could improve market competition by unlocking lower-cost generation at times of high demand and enable more trade of low-emissions energy,” Mr Dillon said.

“Where the numbers stack up, strategic network investment can support a competitive wholesale market in addition to supporting reliability of the energy system and maintaining power security.”

The report found that customers at the edge of the grid would benefit from a review of regulation that prevents them from connecting to alternative technology and recommended the Australian Energy Market Commission (AEMC) undertake a review to avoid unnecessary bureaucratic rules.

“During a time of rapid technological change, Australia’s regulatory policy is yet to fully realise the benefits of new technology for customers,” Mr Dillon said.

“This recommendation recognises that we must make regulation more responsive to technology and market developments so that the system can deliver the services customers want at the lowest cost.”

In another recommendation, the report determined that the way in which grid costs are recovered should be reviewed.

“Customers are leading the transformation of the system by embracing new technologies and rethinking how they source and use electricity. Fairer pricing has a vital role to play to increase the utilisation of the grid and make sure no one is left behind,” Mr Dillon said.

“It is only by industry, governments and regulators working together with customers that we will unlock the full benefits of a modernised power grid.”

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Energy Networks Australia represents Australia’s electricity transmission and distribution networks and gas distribution networks. Our members provide energy to virtually every household and business in Australia.

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