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Planning for a more connected energy future

Energy Networks Australia has welcomed the Integrated System Plan, released today by the Australian Energy Market Operator (AEMO).

The Integrated System Plan provides for a co-ordinated approach to incorporating new solar, wind and gas-fired generation, supported by energy storage, into the grid as existing coal-fired plant ages and is retired.

The national plan, a key recommendation of the 2017 Finkel Review into the energy system, proposes timely investments in transmission and interconnector capacity so that electricity can better be shared across the National Electricity Market (NEM).

Energy Networks Australia Acting CEO, Tamatha Smith, said the plan was an important first step towards ensuring any investment in new generation delivered maximum benefit to customers through a more resilient grid and more competitive wholesale markets.

“Renewable generation won’t necessarily be built where the existing coal generators are, so the reality is that new transmission network infrastructure will be needed over coming decades,” she said. “Around the world, the logical response to growing levels of intermittent (renewable) generation is to have a more connected system.

“However, without coordination, we risk ad hoc network investment, which is inefficient and would ultimately cost customers more.

“A priority for network businesses is to ensure we achieve balance – we don’t want to risk over investment, but doing nothing and responding to individual generation connection requests isn’t going to be the cheapest option for customers.”

Ms Smith said that at an average of about one cent per kilowatt hour, transmission costs were only a very small component of power bills.

“The aim is to keep costs as low as possible while ensuring new renewable generation can be integrated into the national energy market as efficiently as possible,” Ms Smith said.

Energy Networks Australia looks forward to continuing work with AEMO and other stakeholders to support strategic planning for the evolving energy system.

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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.