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New AEMO initiative to reward customers could kick-start our smart energy transition

A new electricity demand response trial announced today is a milestone in Australia's energy transformation, Energy Networks Australia said today.

Energy Networks Australia CEO John Bradley welcomed a \$22.5 million initiative by the Australia Energy Market Operator (AEMO) and the Australian Renewable Energy Agency (ARENA) to be trialled over three years in Victoria and South Australia.

Mr Bradley said the trial would realise the potential to engage customers to save costs, keep the lights on and reduce carbon emissions.

"It's great to see AEMO and ARENA working to develop smart energy security and emission reduction solutions for Australia," Mr Bradley said.

"Customers taking part in the trial will be paid for reducing their energy use during times of peak demand to help avoid blackouts.

"An integrated grid using demand response can enable increased use of variable solar and wind generation on our electricity system."

AEMO and ARENA are working with industry to design the trial. Around 40 stakeholders, including Energy Networks Australia, are taking part in a workshop on the project today.

Mr Bradley said Australia can realise the full value of demand management, solar and storage in homes if smart incentives and fairer prices are introduced to benefit all customers.

"Rewarding customers for their energy choices is an integral part of the Electricity Network Transformation Roadmap recently released by Energy Networks Australia and CSIRO," Mr Bradley said.

"For instance, networks could buy grid support from millions of customers in demand response programs or using household solar and storage to save \$16 billion in network costs by 2050.

"The Roadmap finds it critical to move to demand-based charges before 2021 to reward smart energy investments and avoid unfair cross-subsidies emerging in tomorrow's energy grid.

"The demand response trial launched by AEMO and ARENA could kick-start the journey towards a customer-driven energy future."

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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.