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New scheme supports smarter ways to keep the lights on

Customers will benefit from changes aimed at supporting innovative ways to manage electricity demand by unlocking the benefits of breakthrough technologies.

The Australian Energy Regulator's new Demand Management Incentive Scheme and Innovation Allowance Mechanism for electricity distribution networks were released today.

Energy Networks Australia CEO Andrew Dillon said these regulatory changes better incorporate demand management and innovation into the 'toolkit' networks can use to provide customers with reliable and affordable electricity.

"Demand management can play a crucial role in enabling networks to provide the best value solutions for their customers," Mr Dillon said.

"New technologies can be used as an alternative to poles and wires to manage not only peak demand but also voltage and power quality issues as growing numbers of household solar and batteries connect to the grid.

"The Finkel Review highlighted an urgent need to ensure market rules and frameworks enable the introduction of emerging technologies and the ability to test them, and this is a welcome step in the right direction.

Importantly, the new approach allows for collaboration across networks and smart technology providers, which will maximise the innovation delivered for consumers."

The Innovation Allowance Mechanism provides a small increase in the amount of funding available to networks for research and development. The funding is focused on demand management projects that have the potential to reduce long term network costs.

Mr Dillon said networks also support the AER's application for a fast-track rule change to allow the Scheme and Mechanism to apply now rather than waiting for the next regulatory period.

More information on the Demand Management Incentive Scheme and Innovation Allowance Mechanism is available on the [AER website](#).

ENDS

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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.