

## **DEMAND RESPONSE MARKET WILL GIVE CONSUMERS MORE CONTROL AND HELP LOWER WHOLESALE PRICES**

The Australian Energy Market Commission (AEMC) Demand Response Rule Change that was released today, will pave the way for a fundamental shift to the way the electricity market operates, providing consumers with more control over their energy bills. As a result of this proposed rule change, consumers will be able to respond to market signals by selling “negawatts” into the wholesale electricity market, with flow on impacts including reducing wholesale electricity prices.

“No longer will energy just be seen as a cost centre. It now has the potential to be a profit centre, or at least a means of creating opportunities to reduce energy costs and take pressure of the electricity system which will benefit all consumers,” said Energy Users Association of Australia Chief Executive Officer, Mr Andrew Richards.

“We welcome the AEMC rule change which will create a powerful tool to incentive business to deploy technology, modify systems and acquire more energy management skills as they find ways to respond to price signals in the market.”

The demand response rule differs from the existing structure which does not allow most business to directly bid in demand, or negawatts. Some businesses are also participating in the Reliability Energy Reserve Trader (RERT), an administratively heavy program run by the energy market operator which has been costly and does not provide for responses from a large number of businesses.

“Just as the grid is changing from a small number of large generators, to a large number of smaller generators, so too will the demand response rule change enable a large number of businesses to become more flexible in their operations which will collectively have enormous benefits by reducing wholesale prices, creating better outcomes for all consumers,” said Mr Richards.

The EUAA represents large energy users with energy bills in excess of \$1 million each year – and some with bills of \$1 million per day. It has been calling for national energy policy for some time, supporting the National Energy Guarantee.

EUAA member companies manufacture and deliver essential goods and services used by the Australian community every day and include food, building materials, paper, plastics and health products. Their combined bills equate to billions of dollars a year. The trebling of energy costs in recent years has put enormous pressure on these businesses with some being forced to consider their future operations in Australia.

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