

ISP HIGHLIGHTS THE CRITICAL ROLE OF COORDINATING CER, THE POTENTIAL OF DISTRIBUTION NETWORKS AND THE INCREASING ROLE OF GAS IN THE FUTURE NEM

The Energy Users' Association of Australia (EUAA) congratulates the Australian Energy Market Operator (AEMO) for their work to pull together the latest draft Integrated System Plan (ISP).

"We welcome and acknowledge the enormous amount of work that has led to the latest ISP and congratulate AEMO on this important document," said EUAA Chief Executive Officer, Andrew Richards.

Australia's energy landscape is evolving rapidly with many moving parts that include government policy, business actions to reduce emissions, fuel switching, network changes, consumer preferences and variable demand forecasts all driving the energy system evolution. AEMO's ISP pulls this information together into one document and projects a least cost path forward to support Australia's energy transition.

"The ISP highlights that over 40% of total demand is met by Consumer Energy Resources (CER) with this number set to grow. If you needed any further evidence of the dynamic nature of our energy evolution and the rapid rate of change taking place, the ISP provides the evidence," said Mr Richards.

"The latest ISP identifies significant avoided costs for all energy users through coordinating CER and maximising the potential of our existing distribution networks. AEMO estimate up to \$7.2B in avoided costs if we get this right."

Much like residential consumers, large commercial and industrial energy users are part of the evolution of energy as they invest in new generation like wind and solar as well as behind the meter energy solutions, or CER, to reduce their reliance on fossil fuel electricity.

AEMO has been alive to the important role of CER for some time, but the latest ISP highlights just how huge this part of our future energy generation will be, and how critical coordination will be to ensure stability and reliability of the network.

"There is an important role for governments in helping to build understanding in the community of how, together, we will all need to play a part in delivering a stable and reliable future grid by enabling coordination of behind the meter assets," said Mr Richards.

"Distribution networks' role in supporting CER coordination is also very clear and we are aware of some trials underway that are looking at better ways to deliver this outcome."

"Also noteworthy is that the role that gas will play in firming is bigger than first anticipated and potentially warrants a government review of incentives to bring these critical assets to market. On these and many other aspects of the ISP we look forward to engaging with AEMO."

The EUAA is a leading advocate for large commercial and industrial energy users that promotes solutions-focused collaboration to ensure Australia has reliable, affordable and sustainable energy. These core issues are relevant to all Australian energy users, big and small.

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our members are the engine room of the Australian economy, producing many of the products that households and business use every day including bricks, glass, steel, aluminium, paper, food and beverages. Combined our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

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