

ELECTRICITY OUTLOOK LEAVES LITTLE ROOM FOR ERROR & REQUIRES BETTER USE OF EXISTING RESOURCES.

The Energy Users' Association of Australia (EUAA) welcomes the positive outlook in the Australian Energy Market Operator's (AEMO) latest Electricity Statement of Opportunities (ESOO), but warns that delivering a reliable electricity system will depend on a number of things going right at the same time.

"The ESOO is an important planning tool and we congratulate AEMO on a comprehensive assessment of the challenges and opportunities facing Australia's electricity system," said EUAA Chief Executive Officer, Mr Andrew Richards.

"The near-term outlook is encouraging, but there is very little room for error. We need efficient levels of generation, firming and transmission to be delivered on time, while making much better use of the energy resources we already have."

The annual ESOO provides a comprehensive assessment of the outlook for electricity supply and demand and is a critical tool used in decisions about generation, storage, transmission and other investment needed to maintain reliability.

"Clearly, getting new generation and firming projects moving is critical, particularly as coal-fired generation retires. Renewable projects need to progress quickly and the system needs sufficient firming capacity to manage periods when renewable output is low," said Mr Richards.

"But the reliability challenge is not simply about building more generation. Australia has already invested heavily in rooftop solar, batteries and electric vehicles. We now need to get much more value from those assets by improving coordination and participation in the electricity market."

AEMO has highlighted the growing contribution of household batteries to managing peak demand, while noting that participation in Virtual Power Plants (VPPs) remains relatively limited.

"Better coordination of household batteries, solar and flexible demand can help shift electricity use away from periods of peak demand, improve utilisation of the existing network and reduce pressure on the amount of new generation and network infrastructure that needs to be built."

Large commercial and industrial (C&I) energy users will also play an important role as Australia transitions to a more renewable electricity system.

"As we build a new electricity system with more variable renewable generation and storage, recognising the value of large stable loads that provide a predictable source of demand, should be an important part of how we design our future energy markets," said Mr Richards.

The challenge is to bring all parts of the electricity system together.

"The ESOO provides a positive outlook, but we should not confuse a positive outlook with a guarantee. We need diversity in generation, sufficient firming, timely investment in networks and much better coordination of the resources already connected to the system.

“Households, large energy users, generators, storage providers and networks all have a role to play. If we get those pieces working together, we can improve reliability while putting downward pressure on the cost of building and operating the future electricity system.

The EUAA is a leading advocate for large commercial and industrial energy users and 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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