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Assurance about prices and affordability key to the future of the grid

A key part of the puzzle in keeping downward pressure on energy prices will be defining a clear Plan for building the energy system of the future, taking account of the energy transformation and acceleration of consumer engagement with new energy products and services.

Commenting on the Australian Energy Market Operator's release of the draft 2020 Integrated System Plan, Energy Consumers Australia CEO Rosemary Sinclair said AEMO has "significantly improved its process for development of the Plan, and the publication of the draft ISP is part of that improvement."

"We welcome the commitment from AEMO to establish an ISP Consumer Reference Group in early 2020, with its remit to consider all aspects of the plan, including modelling inputs and interpretation.

"This second iteration of the Integrated System Plan is encouraging because it takes greater account of the extraordinary energy transformation at a local level, where many consumers are embracing digitisation and decentralisation of energy to control their energy costs.

"Demand response is evolving and there is much opportunity for clear communications with small consumers to let them play a direct role in lowering energy costs for themselves and the whole system.

"New technologies are emerging to help optimise the system for reliability at least cost.

"This draft Integrated System Plan provides an opportunity for proponents of alternative solutions to expensive transmission infrastructure to work with AEMO and have them considered in the final plan."

Ms Sinclair said the publication of the draft ISP by AEMO provided an opportunity for additional scrutiny about new infrastructure to safeguard affordability.

"Every extra dollar spent on the energy network ends up on consumers' bills. To get energy prices down we need to be rigorous in assessing all elements of the cost stack for electricity, including transmission costs."

The Energy Security Board is currently consulting on draft rules that would streamline the regulatory process for consumer-funded transmission projects that are identified by the final ISP.

"We support the proposal that work done in the preparation of the ISP should contribute to the formal evaluation of the costs and benefits of new transmission projects.

"The formal approval process is only one part of the overall assurance consumers need that projects are needed, that costs and benefits stack up and risks to bills are addressed.

"We need all parts of the energy sector working together to rebuild consumer trust and confidence that the market is working in their interests."

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