

Media Release

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Coordination is critical to optimising power system for more affordable electricity

CEO of Energy Consumers Australia Rosemary Sinclair today encouraged industry, consumers and policy makers to engage with a complex but important piece of work by the Australian Energy Market Commission to overhaul wholesale pricing and transmission access.

The AEMC has released discussion papers on the coordination of generation and transmission investment which takes this project to the next phase and has important implications for consumers.

“Consumers are telling us they don’t want one more dollar invested on their behalf than is absolutely necessary because all new investment ends up on their bills,” Ms Sinclair said.

“We need to get better at putting consumers’ preferences at the centre of planning for new investments because this will mean we make better decisions, match supply with demand and ultimately deliver more affordable power.”

The AEMC discussion papers focus on changes to the ways generators access transmission and the development of renewable energy zones with a report to the COAG Energy Council due in December.

“The National Electricity Market was constructed around a small number of large existing power stations while the future system will include a larger number of smaller new generators.

“This is a big part of the modernisation of our power system. It means future energy generation will include a lot more capacity close to households and businesses, such as the solar panels on consumers’ rooftops.

“But there will still be significant larger scale plants built where wind and solar resources are best.

“The AEMC’s work demonstrates that market design to better coordinate investment in generation and transmission will simultaneously reduce prices and increase reliability, which highlights the importance of properly analysing the operation of the system and choosing the right path.

“The report on Renewable Energy Zones is an opportunity to further refine the concept to include consideration of identified areas and the role of a wider range of policy levers to help develop these resources.

“Better coordinating how we generate power and invest in the transmission network that delivers it to people’s homes and businesses is central to the future of our electricity system.

“If we’re going to pivot to a more optimised electricity system built around consumers and their demand for more affordable power, this project is critical to our success.”

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