

## ESIA Media Release

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### Ward off AEMO's red flag forecast for Victoria's 2019-2020 summer with a demand reduction scheme

"The forecast blackout threats for this coming summer in Victoria could be avoided with a highly targeted, aggressive demand reduction air conditioning upgrade program rolled out over several months. In addition, air conditioners could be turned off during critical peak times using Demand Response Enabling Device (DRED) capacity," said the President of the Energy Savings Industry Association (ESIA), Mr Rod Woolley.

'Lights off' alarm bells ringing through the latest Australian Energy Market Operator (AEMO) electricity statement of opportunities and the recent triggering of the Reliability and Emergency Reserve Trader mechanism set the stage, yet again, for definitive policy action.

Step back in time 12 months and such an air-con demand reduction initiative could have avoided last summer's forced 200 MW of load shedding.

Step up to now and - short of governments like Victoria boldly implementing such a demand reduction initiative - we can turn to the window of opportunity currently open via the energy savings schemes all under review.

"We need energy saving scheme reviews to consider peak demand reduction components. Such a highly targeted mechanism can offset the increasing inconsistency of aging coal-fired generators and finally dampen persisting ill-informed enthusiasm to keep the old clunkers running. It would also negate the need for expensive additional gas peaking plants.

"Nationally, we need the COAG Energy Council to take this 'power crisis step change' opportunity seriously, especially as the current Federal Government has no commitment to taking 2017 advice of the Climate Change Authority to introduce a national energy savings scheme.

"We need those jurisdictions without energy savings schemes to be proactively supported in establishing their own local scheme, complemented by a highly targeted demand reduction scheme. Queensland committed to launch an energy savings scheme before that state's next election in 2020.

"Once operational, these schemes save four times more than they cost. Administrative and regulatory lessons have been honed over the past decade by the certificate-based schemes in Victoria and NSW," said Mr Woolley.

Target setting for the 2021 to 2025 period is under way, with targets to be announced during 2020 for Victoria, NSW and SA. (The ACT has finished its review and committed to target extension to 2030 and scheme expansion with more energy upgrade activities.)

A total four percent annual reduction of total electricity consumption has been achieved by energy savings upgrades under the schemes in Victoria, NSW, SA and ACT from 2009 to 2017. This is saving more than 5 million MWh of electricity annually and delivering annual customer bill savings greater than \$1 billion.

... Ends                      **Media contact: ESIA Jessica Lynch, M 0417 539 377**