

EnergyAustralia Customers Rewarded For Reducing Demand



It's a February scorcher. As the mercury nudges 43 degrees across the south-eastern seaboard, air-conditioners crank into overdrive and the electricity grid – running at almost double normal capacity – groans under the strain. In another hour, the system hits meltdown, cutting power to hundreds of thousands of homes and businesses. But what if some of those customers were forewarned, and could have actively reduced their consumption by turning a pool pump off or raising the thermostat on their air-conditioner by a couple of degrees?

This is the theory behind the government's \$37.5 million "demand response" initiative, which aims to shore up critical energy supplies during peak demand by offering consumers incentives to reduce their consumption. For a householder, that may mean a \$25 payment just to enrol, plus \$10 off your next bill each time you are asked to respond to an event, and a bonus \$10 cash back if you make significant shifts in your use to outside the critical period. Underscoring the initiative is the premise that it's much cheaper to adjust consumption during demand spikes than build new power plants to cover extreme events that may only occur, say, five times a year. Demand response already operates in other parts of the world, and with Australian consumers facing hefty power increases, it makes economic sense.

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Ten pilot projects are under way across New South Wales, Victoria and South Australia that will collectively secure 200 megawatts of capacity by 2020 – enough to power 200,000 homes. EnergyAustralia is managing two of the projects, contributing 50MW to the demand response pie. EnergyAustralia Network Solutions Leader Victor Petrovski says the electricity retailer is developing IT systems and working with customers across all segments – industrial, commercial, retail and residential – to build supply contingencies.

“Essentially, we are building a virtual power plant that allows us to coordinate energy usage across lots of different sites,” he says. “Any customer enlisted that reduces demand will be financially rewarded for it.”

“Customers can choose to get involved in this initiative at different levels of engagement. Some can simply choose to respond to an SMS they receive and manually change their usage by turning their air-conditioner off or down, or using a barbecue instead of the stove. Others can turn on a back-up generator or, for industrial customers, simply turn off some less-critical production lines for a short period of time – say two to four hours.”

Under the program, EnergyAustralia will send SMS messages to participating customers warning them of a potential power supply issue hours or even days before it occurs. Customers may then be asked to reduce their demand and EnergyAustralia will be able to monitor their consumption. In some cases, EnergyAustralia can remotely control their power usage (there are consumer overrides).

“Our industry is based on markets and price signals,” says Petrovski, “so having a flexible demand side as well as a flexible supply side is critical.”

If you are interested in taking part in EnergyAustralia’s “demand response” pilot, register your interest at [ARENAtrial\[at\]energyaustralia.com.au](mailto:ARENAtrial[at]energyaustralia.com.au). To be eligible, you will need to be an EnergyAustralia customer in NSW, VIC, or SA, have a smart meter, and not have Life Support on your account.



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