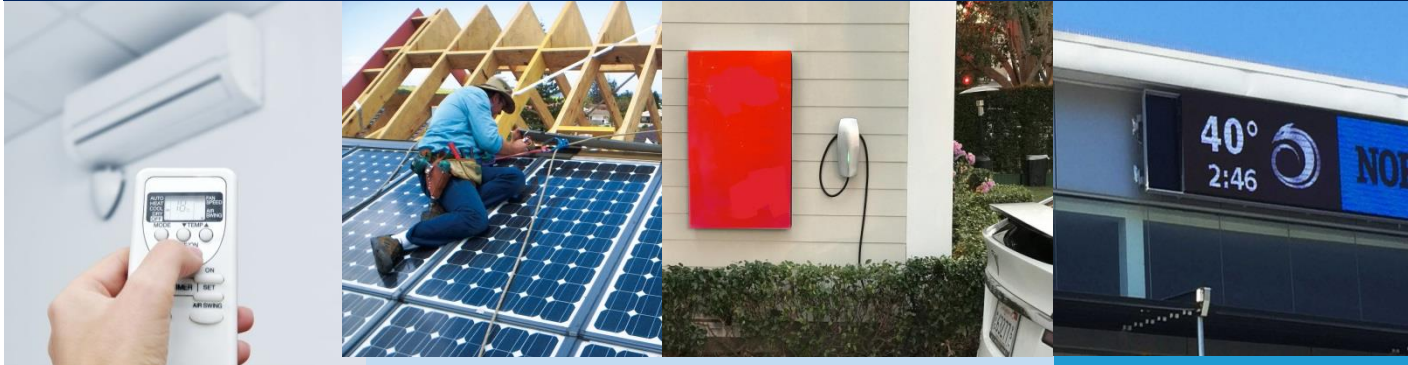


Keeping you up to date on Demand Management activities



Welcome to the March issue of Ausgrid's Demand Management e-newsletter.

In this edition we share updates on three Ausgrid DMIA projects;

1. Interim report for the CoolSaver air conditioning program presenting summer 2015/16 and winter 2016 results. This program is nearing its completion after 4 years of trialling various customer response and acquisition approaches.
2. Preliminary results of our first household solar power and battery survey which investigates the behaviour, motivations and intentions of solar and battery owners.
3. Update on our first online forum with stakeholders conducted late last year exploring demand management and projects under the DMIA.

On the industry front, we have updates on Ausgrid's response to the AER's Demand Management Incentive Scheme and Allowance guideline development and upcoming workshop. There is also a brief update on the Powering Sydney's Future project.

In other news, we also take a look at peak demand levels during the hottest day that hit NSW on 10th February 2017 and how it impacted Ausgrid's network. You might be surprised by the results.

Happy reading,
Craig Tupper
Demand Management and Forecasting Manager

In this edition:

Feature Ausgrid reports:

- CoolSaver Air Conditioning Interim Report
- Ausgrid's Household Solar Power and Battery Interim Report

Ausgrid forum update:

- What we heard from you

Peak demand:

- Record summer temperatures

Industry developments:

- AER's DMIA workshop
- Powering Sydney's Future Project

Feature Reports: CoolSaver Interim Report

The CoolSaver air conditioning program interim report is now available on the Ausgrid website. The program is now in its fourth and final year.

CoolSaver is funded under the demand management innovation allowance (DMIA) and has progressed over four main phases targeting specific objectives including technology options, customer response, incentives/customer acquisition approaches and different seasons.

The key insights from the report include results from the Maitland customer acquisition approach we trialled with appliance store and air conditioner industry partners as well as results from our first winter heating air conditioner trial in the Central Coast area.

► [To read the full report, please refer here](#)

Feature Reports: Ausgrid Household Solar and Battery Interim Report

Over 100,000 (6% of 1.5million) of Ausgrid's residential customers have a solar system and we expect that a significant proportion of these may consider investing in battery storage as well.

In November last year we sent letters to 16,000 selected residential customers of which 10% completed the survey, a pleasing result. 74% of respondents owned solar systems, of those 6% owned batteries, while 26% of respondents were non-solar owners.

The survey included questions relating to demographic profiles of solar and non-solar owners, ownership, motivations and intentions to purchase solar and battery systems, as well as their opinions about battery systems being used for demand management.

The results have been compiled into a preliminary report which can be read at the link below. If you have any feedback on the information in the report please email us at solarbatterysurvey@ausgrid.com.au.

► [To read the preliminary report, please refer here](#)

Earn
Cool Hard
Cash



Ausgrid Demand Management Online Forum – Update

Thanks to everyone who participated in our online forum about demand management and the Demand Management Innovation Allowance (DMIA). The forum commenced in November 2016 and continued into early this year. We invited stakeholders on our Demand Management Engagement Register (DMER) to share their views and participate in the forum and we had a total of 46 who registered.

The purpose of the forum was to give stakeholders the opportunity to share what they thought were the opportunities and challenges of demand management. We also asked our stakeholders about what types of DMIA projects they think Ausgrid should focus on and we presented nine project ideas for the future.

A range of views was expressed by our stakeholders with some suggesting we should focus on trialling more innovative tariffs, while others thought automated technology options should be a higher priority.

Despite the forum being closed, we still welcome stakeholders' ideas and suggestions. If you would like to email these to us, send them to demandmanagement@ausgrid.com.au. We will be providing a more detailed report on the forum outcomes and our future DMIA program, so stay tuned.

Industry Developments

Demand Management Options Day Workshop

The AER is holding a demand management workshop on 6 April in Melbourne for all parties who submitted papers in response to its second [consultation paper issued in January 17](#) on the development of a new demand management incentive scheme (DMIS) and innovation allowance mechanism (DMIA).

Ausgrid provided its response to this paper with our main points being:

- Preference for the implementation of a net-market benefit sharing scheme for the DMIS,



- A proposed hybrid arrangement for the DMIA that encourages both small and large scale research and development,
- The need for the DMIS/DMIA to consider the opportunities for non-network options to defer the retirement of aging assets, which is one of the main drivers of Ausgrid's future capital expenditure.

▶ [To read the full Ausgrid response, please refer here](#)

Powering Sydney's Future Project

Expressions of Interest from non-network providers for the Powering Sydney's Future project closed on the 3rd February 2017.

Ausgrid and TransGrid are in the process of assessing submissions from 11 non-network providers and a Project Assessment Draft Report (PADR) is due to be released in April 2017 which will outline a list of credible options (network and non-network).

▶ [For further information, please refer here](#)

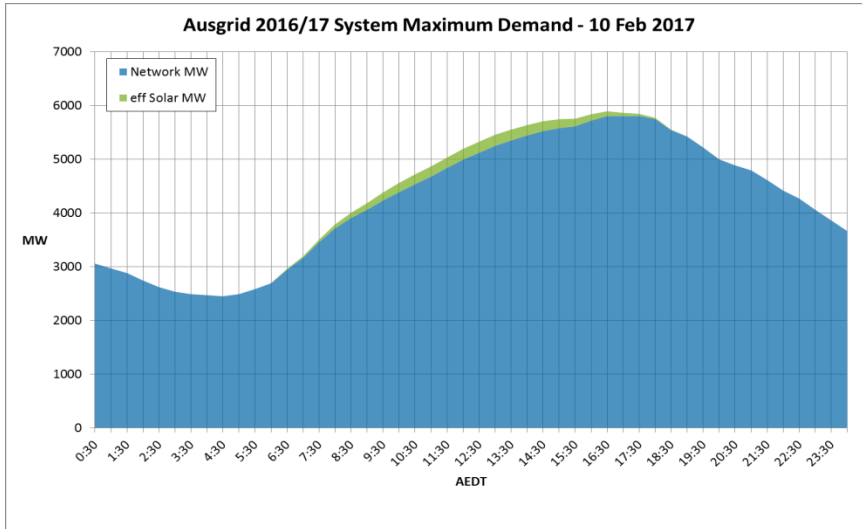
10th February 2017 heat wave

There was a lot of media coverage this summer about the record temperatures that were reached in New South Wales and the impacts on electricity supply. The electricity demand in NSW reached a maximum of 14,181MW between 5.30 to 5.35pm (AEDST) on 10th February 2017 but this was still lower than the maximum NSW demand of 14,744MW experienced on 1st February 2011.

The Australian Electricity Market Operator (AEMO) released a New South Wales, System Event Report for the 10 February 2017 which outlines the event in detail. As part of this event, Transgrid was directed by AEMO (5pm, AEDST) to shed 290MW of load to the Tomago aluminium smelter which was restored about an hour later (6pm, AEDST). In addition, the NSW government advised customers of the potential of electricity supply shortages the day before, which AEMO believes may have led to a reduction of around 200MW of load across the afternoon peak period.



The graph below shows the 10th February 2017 electricity demand for the Ausgrid network which peaked at 5802 MW at 5:30pm (AEDST). This is the highest system load experienced since February 2011. The graph also shows the estimated impact of solar power systems on peak demand in the Ausgrid network area which was estimated to reduce peak demand by about 90 MW and shift the peak time from 4.30pm to 5.30pm (AEDST).



Preliminary analysis of our zone substation demand data for summer 2016/17 indicates that weather corrected peak demand for certain areas of our network is starting to rise again at a modest growth rate. Although this might lead to a slight increase to growth related investment, the majority of Ausgrid's forecast network expenditure over the short to medium term is related to replacement of aged assets.

We would like to learn more about which Demand Management topics or areas of interest you value the most.

If you have not already done so, please take the time to take our [quick poll](#) to have your say.

For general enquiries or information you can ask us at:

demandmanagement@ausgrid.com.au