

Frydenberg's peak period carrot for users to turn off their aircon

MICHAEL OWEN

The federal government will pay households and businesses across three states to turn down their air conditioning, furnaces and cool rooms to stave off blackouts during peak demand.

Under a \$36 million program to be launched today by Energy Minister Josh Frydenberg, thousands of households in NSW, Victoria and South Australia will also be invited to voluntarily cut their energy use in return for incentives such as rebates on power bills.

The Turnbull government, faced with skyrocketing power prices and grid instability across the national electricity market, will over three years spend \$28.6m on 10 pilot projects. The Berejiklian government will pay \$7.2m towards set up and operational costs of trials in NSW.

Trial projects include a smart thermostat to control air conditioning, heating and ventilation in businesses and homes, and householders reducing energy use for one to four hours in exchange for a weekend of free electricity.

South Australian metal foundry Intercast & Forge has installed sophisticated energy systems allowing it to power down furnaces during extreme weather such as heatwaves.

Other projects involve large-scale industrial and commercial businesses such as cold storage facilities, manufacturing plants and commercial buildings.

About 50 large commercial and industrial businesses in NSW and Victoria will have hardware installed to automatically and remotely control and reduce energy. Sites include metalworks, water pumps, gas production facilities, paper mills and glass factories.

This comes as states grapple with measures to prevent blackouts this summer amid a worsening national energy crisis.

In Queensland yesterday the state government's energy security task force released its summer preparedness plan to deal with high power demand during heatwaves, which included asking residents and businesses to set their air conditioners at 26C during heatwaves, only cool occupied rooms and turn off non-essential lights and pool pumps.

Victorians struggling under high power bills will be offered flexible payment options, lower tariffs and a six-month debt payment "hold" under changes an-

THE COMPANIES

VICTORIA AND SOUTH AUSTRALIA

Energy Australia, 30MW, \$6.9m

Commercial and industrial businesses and residential customers

EnerNOC, 30MW (Vic only), \$5.4m

30 large commercial and industrial businesses

Zen Ecosystems, 15MW, \$2m

Control air-conditioning, heating and ventilation at businesses and residential

Powershop, 5MW (Vic only), \$1m

Mobile notification system for retail customers

United Energy, 30MW (Vic only), \$5.8m

Voltage control devices installed at substations

Intercast & Forge, 10MW (SA only), \$323,654

Metal foundry has installed sophisticated energy systems to power down furnaces during peak event

NSW

AGL, 20MW, \$5.2m

Large commercial and industry customers, and 10,000 residential households with smart meters

Energy Australia, 20MW, \$2.9m

Commercial and industrial businesses and residential customers

EnerNOC 20MW, \$3.6m

20 large commercial and industrial businesses

Flow Power, 20MW, \$2.6m

100 commercial and industrial energy customers, targeting manufacturing, agricultural businesses and cool storage

Source: ARENA/AEMO

nounced by the Essential Services Commission yesterday.

In South Australia, the Australian Energy Market Operator was forced to intervene in the market late yesterday and order a gas generator to stay online "to maintain the power system in a secure operating state".

An AEMO spokeswoman said a synchronous generator had "bid themselves unavailable" but the market operator required them back online to "provide appropriate system strength to withstand a 'credible fault'".

Earlier yesterday, the South Australian Liberal opposition released its energy plan ahead of the state election, promising to fast-track a new interconnector to NSW, subsidise household batteries and scrap a state-owned power plant in favour of a capacity market if elected in March.

A key plank of the policy is a \$200m interconnection fund to speed up greater connection to the national energy market, with a new link between South Australia and NSW a top priority.

Privately owned South Australian transmission company Electranet is studying new interconnector options, which are expected to cost at least \$500m.

Liberal leader Steven Marshall, who said the next state election will be a referendum on energy policy given last year's devastating

statewide blackout, also promised a \$100m spend on battery storage for 40,000 households to potentially reduce electricity use at times of peak demand.

Mr Marshall said household power prices in South Australia, among the highest in the world because of the state's high renewable energy mix, would fall by more than \$300 a year under his plan.

He said that, unlike Premier Jay Weatherill, the Liberals would not cosy up to the likes of US tech billionaire Elon Musk, who is building a giant battery in South Australia's mid north.

"We are going to back South Australians who want to take charge of their electricity generation and consumption," Mr Marshall said. "Our battery program will focus on South Australians, not celebrity billionaires."

But Mr Weatherill said the policy would give control of South Australia's energy to east coast power companies.

Mr Frydenberg last night told *The Australian* that the "demand response" initiative would work by "providing a financial incentive to energy users to conserve their energy use during times of peak demand". "The energy saved can then be directed to help stabilise the grid when and where it is needed," he said, noting it operated successfully in other countries including the US and Taiwan.