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MEDIA RELEASE

Inaugural energy use forecasts signal new demand and investment outlook

For the first time a new report released today by the Australian Energy Market Operator (AEMO) forecasts reduced energy use across eastern and south eastern Australia that is likely to result in the deferral of new electricity generation or transmission network investment for years.

The inaugural National Electricity Forecasting Report (NEFR) shows lower industrial energy consumption, significant uptake of rooftop solar photovoltaic (PV) systems and consumer response to rising electricity prices are behind a 2.4 per cent drop in annual energy[1] for 2011-12.

“Structural change in the Australian economy is having disparate impacts across the eastern and south eastern states, particularly in the wake of the global financial crisis. We have not seen electricity use drop this much since the National Electricity Market (NEM) commenced,” said AEMO Managing Director and Chief Executive Officer Matt Zema.

“Consumers have responded to price increases and taken advantage of government feed-in tariffs by installing rooftop PV systems and adopting energy efficiency measures, and that has reduced the amount of energy supplied by the electricity grid.

“Investment signals for new large scale electricity infrastructure are muted when compared to a year ago,” Mr Zema said.

AEMO has released these electricity forecast reports comprising independent electricity forecasts for each region of the NEM to capture the substantial economic and behavioural changes taking place in the energy supply sector and to provide valuable information for future investment decisions.

“Across the NEM, annual energy for 2011-12 is forecast to be 5.7 per cent lower than estimated in the 2011 Electricity Statement of Opportunities (ESOO) under a medium economic growth scenario,” Mr Zema said.

In 2011-12, rooftop PV systems are estimated to have generated 0.9 per cent of annual energy, which is forecast to grow to 1.3 per cent in 2012-13. By 2021-22, small-scale solar is expected to account for 3.4 per cent of annual energy.

Average growth in annual energy for the 10-year period is now forecast to be 1.7 per cent, down from 2.3 per cent forecast in the 2011 ESOO[2]

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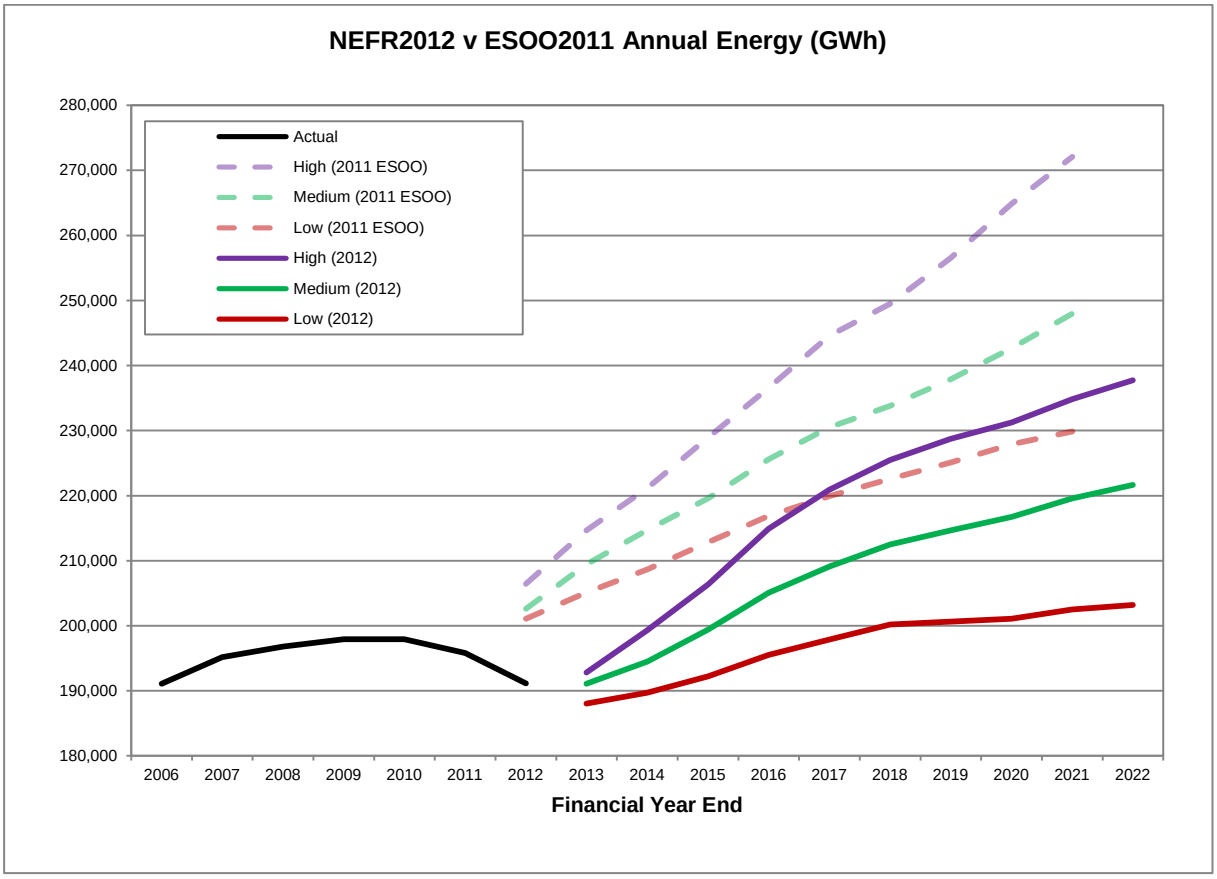
[1] Total energy calculated over a year.

[2] 2011 ESOO forecasts have been a compilation of AEMO and Transmission Network Service Providers (TNSPs).


NEFR2012 v ESOO2011 Annual Energy (GWh)
280,000
270,000
260,000
250,000
240,000
230,000
220,000
210,000
200,000
190,000
180,000
Actual
High (2011 ESOO)
Medium (2011 ESOO)
Low (2011 ESOO)
High (2012)
Medium (2012)
Low (2012)
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
Financial Year End

ENDS