

2013



NATIONAL ELECTRICITY FORECASTING REPORT UPDATE

For the National Electricity Market

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This update is subject to the same disclaimer as the NEFR
itself, which appears on page D1 of the 2013 NEFR.

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Background

The 2013 National Electricity Forecasting Report (NEFR) was published on 28 June 2013 and provides independent electricity consumption forecasts for each National Electricity Market (NEM) region over a 10-year outlook period (2013-14 to 2022-23).

To provide stakeholders with up-to-date data, AEMO has revised its annual electricity consumption forecasts for 2013-14 in line with observed variances. This revised forecast updates the 2013-14 period only and has been developed using a medium economic growth scenario.

AEMO has not revised the maximum demand (MD) forecast for 2013-14, as variances observed in the large industrial load MD were not significant.

Updated annual energy forecast for 2013-14

Since the 2013 NEFR was published, AEMO has continued to monitor forecast electricity consumption against actual electricity consumption.

In the first quarter of 2013-14 (1 July 2013 to 30 September 2013), AEMO observed a variance of -3.5% (-1,705 GWh) in NEM-wide actual electricity consumption compared to the forecast. AEMO attributes this first quarter variance to:

- A significantly warmer-than-average winter and start to spring.
- Reductions in large industrial load electricity usage including liquefied natural gas (LNG) in Queensland.
- Reduced residential and commercial electricity usage.

The following table details the NEM-wide annual energy forecasts published in the 2013 NEFR, and the updated forecasts for 2013-14. The data is provided on a native annual energy basis which includes all residential and commercial consumption, large industrial consumption, and transmission loss forecasts.

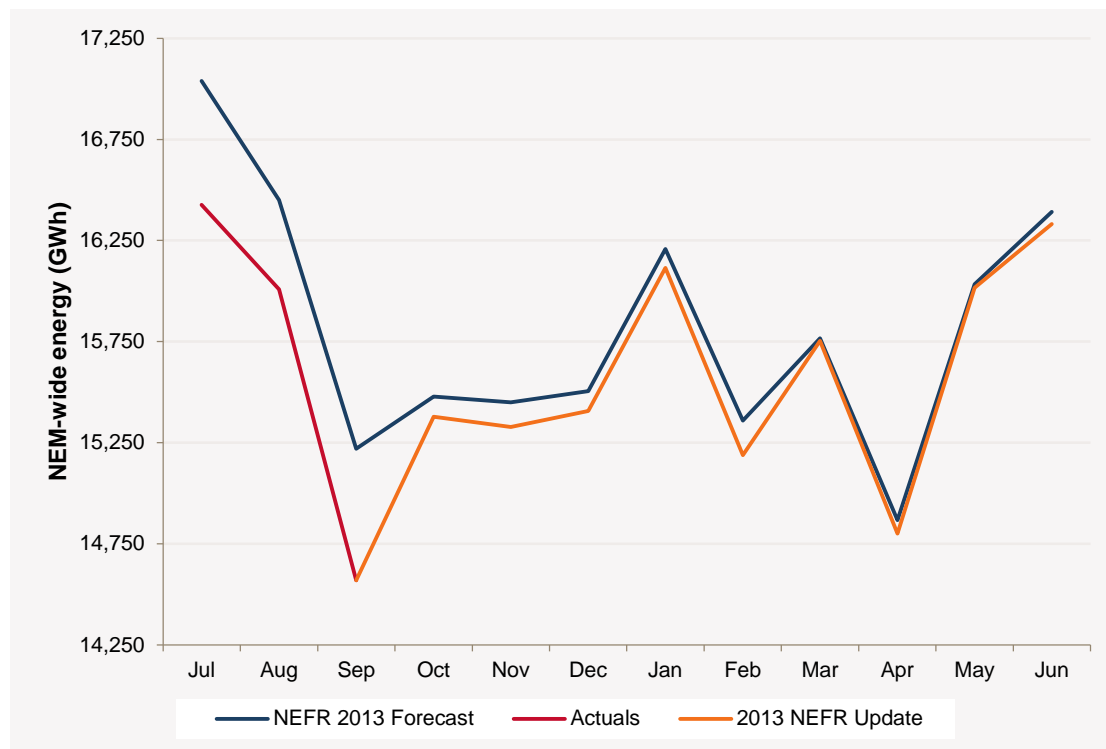
Table 1 – 2013-14 NEM Annual Energy Forecast (Medium Economic Growth Scenario)

Region	2013 NEFR (GWh)	2013 NEFR Update (GWh)	Variance (GWh)	Variance (%)
NEM	189,770	187,326	-2,444	-1.3
QLD	50,087	49,331	-756	-1.5
NSW	69,363	68,306	-1,057	-1.5
SA	12,753	12,851	98	0.8
VIC	46,993	46,441	-552	-1.2
TAS	10,574	10,397	-177	-1.7

Key points are:

- As a result of the first quarter observations, AEMO has revised its full 2013-14 year NEM electricity forecasts by -1.3% (-2,444 GWh).
- 1,205 GWh of the revised forecast is attributed to changes in large industrial load.
- 1,239 GWh of the revised forecast is attributed to reduced residential and commercial electricity usage and warmer weather.

The figure below is a comparison of the 2013 NEFR annual energy forecast and the revised annual energy forecast for 2013-14.



Updated large industrial loads

AEMO observed a first quarter NEM-wide variance of -4.7% (-466 GWh) in large industrial loads (including LNG).

Large industrial load comprises 22% of the Queensland forecast; 17% in New South Wales; 16% in South Australia; 18% in Victoria; and 55% in Tasmania.

The following table details the 2013 NEFR annual energy forecasts for large industrial loads across the NEM, and the updated forecast for 2013-14.

AEMO's survey of large industrial loads (including LNG) confirms that a -3.0% (-1,205 GWh) reduction is expected across the NEM in 2013-14.

Table 2 – 2013-14 NEM Large Industrial Annual Energy Forecast

Region	2013 NEFR (GWh)	2013 NEFR Update (GWh)	Variance (GWh)	Variance (%)
NEM	39,509	38,304	-1,205	-3.0
QLD	11,177	10,737	-440	-3.9
NSW	12,316	11,871	-445	-3.6
SA	1,963	2,050	87	4.4
VIC	8,410	8,137	-273	-3.2
TAS	5,643	5,509	-134	-2.4



Future updates

AEMO will continue to monitor forecast electricity consumption against actual and, if necessary, provide further updates.

By 30 November 2013, AEMO will publish an independent review of the 2013 NEFR, and an action plan that details planned improvements for the 2014 NEFR.

The 2014 NEFR, to be published in mid-2014, will provide updated independent electricity consumption forecasts for each NEM region exploring scenarios across high, medium and low economic growth outlooks for a 10-year outlook period from 2014-15 to 2023-24.