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Don't forget hidden resources on the energy grid – like hot water as storage

Australian and US energy leaders agreed today at *Energy Networks 2016* in Adelaide that fresh thinking was needed about the existing opportunities in the energy system.

Terry Effeney, CEO of Queensland distributor Energex, and Lena Hansen from the Rocky Mountain Institute agreed it would be possible to unlock greater use of hot water storage, in addition to new battery storage systems entering the grid.

Mr Effeney said the network had huge amounts of storage connected to it now – “it’s called hot water”.

He said the opportunity to increase the benefits and penetration of rooftop solar panels by using hot water systems as storage hadn’t received sufficient focus yet.

“Traditionally, we have charged hot water systems in the evening, but we are charging our hot water systems during the day now and using them as a ‘solar soak’,” Mr Effeney said.

Ms Hansen agreed and said there was a need to think differently about the resources already on the network, with better use of hot water systems able to save the United States an estimated US\$3 billion a year.

Mr Effeney said the key thing was to establish the right frameworks and incentives to allow the best use of distributed resources in an efficient way with the grid.

“If customers are going to spend the money, then utilities should not spend the money,” Mr Effeney said.

“Our job is to find a way to integrate that technology into our networks. We don’t have to spend unnecessary money on our low voltage network if we know we can depend on interaction with those smart devices.”

Energy Minister Josh Frydenberg highlighted at the conference the importance of tariff reform to provide efficient signals to investment.

“The objective of these tariff reforms is to lower system costs for consumers over the long run, while at the same time allowing consumers to better manage their own energy costs,” Frydenberg told the conference.

The Minister’s support for tariff reform came as the Energy Networks Association (ENA) released the final *Electricity Network Tariff Reform Handbook*.

ENA CEO, John Bradley, said the Handbook recognised successful tariff reform would require a clear customer focus with better analysis of customer preferences and outcomes, tools to assist customers to respond, and support for vulnerable customers.

"New tariffs have to be simple for customers to understand and respond to - and that means collaboration with energy retailers and other new market participants will be vital," Mr Bradley said.

Minister Frydenberg commended energy networks' consumer engagement efforts during recent revenue determination processes and supported the energy industry's development of a *Customer Engagement Handbook*.

"I encourage you to use this Handbook in developing a closer relationship with energy consumers, which will not only help you to better understand each other's needs and expectations, but also deliver a better energy system overall," Frydenberg told the conference.

Minister Frydenberg announced the CSIRO would develop a Low Emissions Technology Roadmap, which would build on other energy work including the *Electricity Network Transformation Roadmap* being developed by ENA and CSIRO.

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The Energy Networks Association is the peak national body representing Australia's electricity transmission and distribution networks and gas distribution networks on economic, technical, environmental and safety regulation, and national energy policy issues. ENA members provide energy to virtually every household and business in Australia.