

Demand Management Innovation Allowance Mechanism (DMIAM)

Simon Appleby
Head of Corporate Affairs

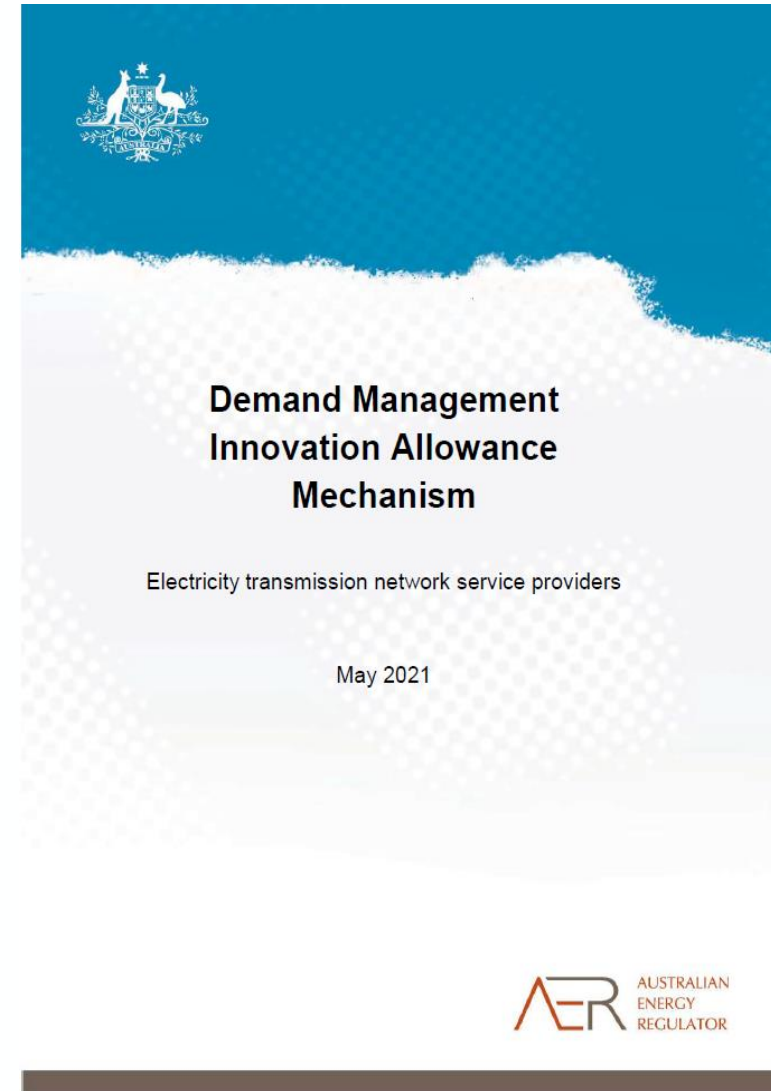
Demand Management Innovation Allowance Mechanism

Purpose – support innovative demand management projects and programs with potential to reduce long-term network costs and prices for customers

Funding – allowance of \$2.2m (0.1% of revenue) over 5 years plus \$200k for independent assessment

Criteria – must be innovative, increase demand management capability, reduce long-term network costs, share learnings

- With the CAP's support, ElectraNet included the DMIAM in its Revenue Proposal
- This was approved by the AER for the 5-year regulatory period
- ElectraNet proposes to bring forward suitable projects progressively to the CAP for endorsement over this period



Potential Initiatives

Potential Initiative	Description	Potential Benefit
EV-to-Grid integration	Two case studies exploring options to enable EVs to contribute to grid needs	Reduce network and generation investment needed for EVs
Participation in Emergency System Management	Harnessing Customer Energy Resources for emergency management	Minimise customer outages during emergency conditions
Regional demand smoothing	Use of Customer Energy Resources to offset intermittent generation variability	Increase export capability from South Australia
Intermittent generation following	Shifting demand to follow intermittent generation output patterns	More efficient operation of the network and the market
Locational trough filling	Increasing local demand at times of low or reverse power flow	Increase embedded generation and avoid network investment
Locational peak lopping	Reducing local demand at times of high power flow	Defer network replacement investment

Proposed Approach to DMIAM

ElectraNet and Consumer Advisory Panel

ElectraNet

- Identify proposed projects
- Undertake approved projects
- Report and publish results

Identify potential research projects / programs

Conduct research project / program

Annual compliance reporting

Proposal

Reporting

CAP

- Endorse proposed projects
- Review outcomes

Review & endorse specific research project / program

Endorsement

Share outcomes of research project / program

AER

- Assess compliance
- Approve expenditure

Annual Approval Process