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Mr Kim Evans
Secretary
DEPARTMENT OF STATE GROWTH

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Energy Strategy Issues Paper

The Department of Premier and Cabinet (DPAC) welcomes the opportunity to provide a submission in response to the Energy Strategy Issues Paper.

DPAC acknowledges the importance of a strong and efficient energy sector as the foundation of the Tasmanian economy. As the Issues Paper notes, the energy sector is complex and technical and there are a number of issues impacting on the delivery of sustainable power prices for Tasmanian consumers. This submission aims to highlight some of the issues that DPAC sees as key factors in the development of an energy strategy.

While the Issues Paper notes correctly that Tasmania has enough generation supply to meet its forecast demand until around 2030, it should be emphasised that electricity demand is uneven across the grid and over time. There are particular geographic areas that are subject to constraint, as well as certain times of the day when demand peaks across the State. Energy efficiency programs, smart grid technology and judicious placement of new renewable generation are all important ways to smooth this uneven load.

Energy efficiency should be highlighted as a key component of the State's energy strategy. Modelling has consistently shown energy efficiency to be the cheapest and fastest way to achieve greenhouse gas emissions reductions, as well as delivering multiple other benefits including improved business productivity, better health and comfort for occupants and reduced power bills.

Further consideration could be given to smart grid technology. Such technology enables more efficient and effective management of energy supply and demand. Upgrades to meters and grid technology can allow power demand to be managed remotely. This offers significant benefits to consumers, including the possibility for time-of-use pricing and full offset of onsite renewable energy generation, without compromising comfort and amenity.

There remains a role for additional renewable energy generation in Tasmania to capitalise on our competitive advantage. Distributed small- and medium-scale renewable generation placed wisely at points where there are energy supply constraints at present can help reduce the need for expensive infrastructure.

It is important that demand for energy keeps pace with renewable energy supply. As renewable energy generation capacity expands, attracting new investment to the State will help stimulate demand. In addition, uptake of electric vehicles will help to grow energy demand, while also providing battery storage that could be accessed via a smart grid.

Existing major energy users need a reliable, cost-effective energy supply to be competitive in national and international markets. An energy strategy that helps limit future energy price rises can provide certainty and stability to these industries, which in turn helps protect the consumer base.



for
Greg Johannes
Secretary