UTS:ISF
INSTITUTE FOR SUSTAINABLE FUTURES

Media Release

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Building a level playing field for local energy consumers

The University of Technology Sydney (UTS) today announced a one year research project that aims to improve the economics of local energy generation for Australian consumers.

The Institute for Sustainable Futures (ISF) at UTS will conduct research and trials of Virtual Net Metering and Local Network Charges at five sites in Victoria, NSW, and Queensland supported by $250,000 funding from the Australian Renewable Energy Agency (ARENA). The trials will test how these work and the best and fairest way of calculating them.

Virtual Net Metering allows consumers to reduce their electricity bill by generating electricity at one site and using it at another site. Local network charges are tariffs for electricity generation that only uses part of the network, and in many cases could reduce the network charge portion of electricity bills for local generation.

Project Director Jay Rutovitz said "The project brings together a partnership of consumers, electricity providers and government to explore reforms that should make distributed energy projects more viable.

"We will investigate how market changes could help consumers and network businesses benefit from local generation by providing alternatives for customers who might otherwise choose to disconnect from the grid altogether or use 'behind the meter' options."

Ken Gainger, general manager at trial participant Byron Shire Council said, "Virtual Net Metering will enable Byron Shire Council to use electricity generated from solar PV at our sports centre and supplement power at the nearby sewage treatment plant, which is an attractive prospect for us."

Sally Rice, Manager Safety, Amenity and Environment at Moira Shire Council said " The project has the potential to increase renewable energy options for the local community, supporting economic growth and local procurement of energy. These collaborative projects help us explore options that can address these challenges and deliver local benefit".

Tony Loveday, Distributed System Platform Architect at project partner Ergon Energy said "As distributed generation becomes more widespread and storage technology takes off, there is a risk that customers will opt to go off-grid, leaving behind an underused electricity grid. Measures like these will help network providers like Ergon adapt to a future where distributed generation is commonplace."

Lara Olsen, Strategy Manager for Powercor said "As an electricity distributor, we are constantly looking at how our electricity networks can operate more flexibly and maintain reliability while ensuring that customers still receive a low-cost distribution service. This project will assess the efficiencies and benefits these approaches can deliver."

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Stephanie Bashir, Manager, Metering Policy & Developments at project partner AGL Energy Limited (AGL) said, “AGL is keen to see how these mechanisms could meet our customers’ needs.”

The major project sponsor is ARENA. Other project partners are: UTS, Moira Shire, Swan Hill Rural City Council, Ergon Energy, the City of Sydney, Wannon Water, Byron Shire Council, Willoughby City Council, Powercor, AGL, the NSW Renewable Energy Advocate and the Total Environment Centre.

About the Institute for Sustainable Futures

The Institute for Sustainable Futures (ISF) is a research institute at the University of Technology Sydney that creates change towards sustainable futures by conducting independent project based research for Australian and international clients. ISF works with industry, government and the community on research projects across a range of research areas using a variety of approaches. These projects foster lasting change and aim to build independent capacity in clients by passing on knowledge and skills.

More information: http://arena.gov.au/project/investigating-local-network-charges-and-virtual-net-metering/

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