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## Electricity prices overheat

Nigel Wilson, Energy Writer | March 18, 2008

**RECORD electricity demand in sweltering Victoria and South Australia yesterday pushed short-term prices close to the capped maximums, making a rise in wholesale and contract prices likely.**

Paul McArdle of electricity market monitor, Globalroam, said the massive demand had had a big impact on prices.

Globalroam's indicators show that by mid-afternoon there were substantial flows of electricity into Victoria from NSW, Tasmania and from Snowy Hydro.

In NSW demand was much higher than available generation capacity.

At 6pm Adelaide time, when temperatures had fallen from the day's highs, Globalroam reported that the 5-minute dispatch price was still \$7500.72 a megawatt hour and \$7368.82 MW/hr in Victoria.

Average electricity generation prices are normally lower than \$40MW/hr.

Analysts said the heat wave would result in higher supply prices that would raise contract and wholesale prices, and even household prices marginally.

National Electricity Market Management, which operates the electricity market, said Victoria's peak demand hit 9816 megawatts at 5pm, about 300MW higher than the previous peak on Friday. In South Australia, demand reached 3151MW, about 8MW higher than last week's 3143MW peak.

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