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## Smart new meters to cut power

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AUSTRALIAN households will be encouraged to use smart electricity meters to cut power bills and reduce pressure on governments to build massive new power stations around the country.

Soaring electricity demand and frequent power shortages - often caused by airconditioners - have forced the issue on to the agenda for Friday's Council of Australian Governments meeting in Canberra.

Smart meters, otherwise known as interval meters, allow consumers to calculate the cost of their electricity consumption hour by hour, giving them the option of using low-cost off-peak power for dishwashers, pool filters or washing machines rather than high-cost electricity at times of peak demand.

Electricity demand has soared across the country, with all states battling to control excessive energy use to reduce the need for costly new power plants.

Queensland and NSW, previously big power exporters, have recently begun to import energy from the southern states.

The federal Department of Industry, Tourism and Resources also estimates that about 40 per cent of greenhouse gas reductions from the Australian energy sector expected by 2010 will come from energy-efficiency measures.

About 12 new power plants are being built or considered around Australia, with most designed to operate only when electricity demand is at its peak - usually at about this time of year - when generating companies can charge up to \$10,000 a kilowatt hour. Normal generation charges are about \$30 a kilowatt hour.

Some states, including Victoria, Queensland and Western Australia, are already trialling time-of-use charging systems that work in a similar way to the pricing of long-distance telephone rates.

The price consumers pay for electricity depends on the time of day the electricity is used. Customers taking advantage of off-peak electricity charges by using power in the cheaper times can save as much as 30 per cent on electricity bills.

The Ministerial Council on Energy, which reports to COAG, has been considering smart meters for several years.

Their use is recommended in a package of energy reform measures proposed by the council, to be considered by this week's COAG meeting.

Other issues to be discussed include more national control over the planning of electricity and gas transmission, and the private sector's move to rebuild energy operations that involve generation, transmission, distribution and retailing under one ownership.

John Howard is expected to announce in a communique following the meeting that the states have agreed to investigate the full impact of smart meters.

Some states and major energy companies have opposed the introduction of the meters, saying the benefits are exceeded by the costs.

Depending on their level of sophistication, the electronic meters can cost from about \$200 to more than \$700 each.

The Howard Government's aim is to force state governments to pick up much of the tab for the introduction of smart meters on the grounds that improving energy efficiency will reduce greenhouse gas emissions and cut the need for costly new baseload power stations.

Friday's COAG meeting will follow a debate this week in federal parliament on an Energy Efficiencies bill, which introduces five-year audits for companies using more than 0.5 petajoules - equivalent to the energy used by 10,000 households - annually. The Howard Government believes the company audits, to be available to the public, will encourage a business-driven response to the need for greater energy efficiency.

The smart meter strategy follows a recommendation from the Productivity Commission's report called The Private Cost Effectiveness of Improving Energy Efficiency, which was released in October.

The commission said that if electricity prices reflected the real costs of production, energy efficiency would be improved at times of peak load, particularly in the longer term when consumers had more information and the chance to change their behaviour, and suppliers could respond to changed market conditions.

It said this result would be helped by a roll-out of smart meters.

Queensland company Global Roam, which monitors electricity generation, said last week total demand for electricity in Queensland and NSW was 21,079 megawatts, while total available generation was 20,090MW.

Managing director Paul McArdle said the only reason lights were not going out was that the Snowy hydroelectric scheme was generating at near capacity and sending all its production into NSW.