



29 December 2014

Mr Sebastian Roberts
General Manager, Network Regulation
Australian Energy Regulatory
GPO Box 520
Melbourne VIC 3001

RE: Energex Demand Management Program 2015-2020

As a supplier to Energex of demand management technologies TMAC provides the following submission to support Energex's Demand Management Program 2015-2020.

The direction of the electricity supply industry across Australia is driven by a common aim to reduce costs particularly by way of building less infrastructure. This is certainly the case in Queensland and within the Energex network.

Lowering network costs has benefits to many stakeholders including the customer with lower ongoing electricity costs. Also, looking at the future of the industry, the "future grid" evolving includes a significant take up of new technologies within the network such as solar PV.

Peak Demand and Network Costs

TMAC's understanding is that whilst new technologies and customer behaviour has slowed demand growth, future demand growth may be different. Also, peak demand remains an issue at a local level. For example, there are some suburbs where the network is still seeing significant demand growth that can be assisted with demand management solutions. This of course is very significant as much of the new network infrastructure expenditure (historically) supported peak demand but is relatively expensive and has become less and less of an option for network owners such as Energex.

We understand that Energex's demand management program has proven to be a cost effective alternative to building new infrastructure. Integral to this program is the Peak Smart Air Conditioners. **TMAC supplies the demand management technologies involved.** The program has now been underway for some time and the benefits are already evident. More significantly, these benefits will become more substantial over the coming years as a "critical mass" is established and the effectiveness of this program begins to "snowball". This means it is imperative that the Energex demand management program, particularly the Peak Smart program, continues uninterrupted throughout the 2015-2020 period for the real impact of this program to be realised.



Economic Benefits to Queensland/ Australian Companies

TMAC, a long established Queensland company, has invested heavily in developing the technologies involved in the Peak Smart program along with our Queensland manufacturing partner. This of course provides economic benefits to Queensland and the Australian economy generally.

New Technologies and Innovations Developed in Queensland

Also, in delivering “Peak Smart technologies” from our company’s design & development program TMAC has developed broader technological resources within the business along with our strategic partners in the supply chain. This has placed TMAC in a position to develop new technologies and innovations here in Queensland that have potential applications within the “futuregrid”.

We have also invested heavily in the development of alternative production options to reduce costs in line with one of Energex’s objectives of delivering their 2015-2020 demand management program at a significantly lower cost to the 2010-2015 program.

Peter Pearce

Managing Director