



THE HON JOSH FRYDENBERG MP
Minister for the Environment and Energy

MEDIA RELEASE

28 March 2018

**IMPROVING GENERATION FORECASTING
TO STABILISE THE GRID & LOWER POWER PRICES**

The Turnbull Government, through the Australian Renewable Energy Agency (ARENA), is seeking to improve the accuracy of forecasts that predict the electricity output of large-scale wind and solar farms in order to further stabilise the grid and help lower power prices.

A commitment of \$10 million has been made for ARENA and the Australian Energy Market Operator (AEMO) to trial the initiative, the benefits of which could change the way predictions of large-scale wind and solar power generation are made right across the National Electricity Market.

“AEMO is responsible for balancing supply and demand in the National Electricity Market and, as part of this, they centrally predict the expected generation of all wind and solar farms in five minute intervals,” Minister Frydenberg said.

“Their central forecasts, however, could benefit from greater consideration of local factors in the immediate area of the generator, such as weather, geography and operational conditions.

“If successful, this trial could see wind and solar farms providing their own ‘self-forecasts’ that take into account exactly what’s happened when and where they are located – for example, if a cloud passes over a solar farm or if the wind changes.”

Currently, if a wind or solar farm generates more or less energy than AEMO forecasts, this can create grid stability issues which require frequency control services in order to manage supply and demand. Ultimately, the cost of these services are passed on to consumers.

“‘Self-forecasting’ at the source will allow wind and solar farms to not only maximise the amount of renewable energy dispatched into the grid, but also avoid the need to pay for frequency control services,” Minister Frydenberg said.

“It will improve the forecasting of each individual renewable generator as well as National Electricity Market forecasts overall – more accurate forecasting means greater stability of the grid and lower power prices.

“This kind of initiative is particularly important in South Australia where there is a high penetration of solar and wind power and as more comes online right across the country.”

Expressions of interest open tomorrow and close on 9 May 2018. Further information is available at www.arena.gov.au.

Ends

Media contact: Kane Silom – Office of the Hon Josh Frydenberg MP – 02 6277 7920
The Hon Josh Frydenberg MP | Minister for the Environment and Energy | MELBOURNE