



Mr Neil Byron
Presiding Commissioner
Energy Efficiency Inquiry
Productivity Commission
LB2 Collins Street East
MELBOURNE VIC 8003

Via email: energy@pc.gov.au

Dear Mr Byron

Re: Provision of additional information arising from the Productivity Committee Hearing in Sydney on 16 November 2004.

At the hearing of 16 November 2004 the ERAA was asked to provide additional information on in relation to its submission. I now provide you with this information.

The attached graphs highlight the effects of air conditioning usage on domestic/SME load and entire load. These graphs relate to EnergyAustralia's network which covers metropolitan Sydney, the Central Coast and the Hunter Valley. Both graphs consider working week days only, weekends have been excluded from the analysis

The first graph shows the effect of air conditioning on EnergyAustralia's SME/Domestic load.

The second graph examines the effect of air conditioning on EnergyAustralia's entire network. Overall the effect is less, but still substantial. A comparison of the two graphs shows impact of air conditioning in the SME and Domestic markets is quite substantial.

In response to Prof. Woods's question about the appropriate increase in energy prices to change behaviour, I believe that if uncapped energy prices were introduced, then it would be up to the market to determine the appropriate increase.

Prof Woods also asked for the name of the company which is working with the members of the EUAA on demand side responses, I understand it is Fraser Consulting Services Pty Ltd (rsfraser@netspace.net.au).

I have also attached a copy of the ERAA's report titled, "Impact of Cost of Emissions Abatement Schemes on Consumers" which was also requested.

Thank you again for the opportunity to appear at your inquiry's hearing. Please feel free to contact me should you require any further information in relation the information provided in this letter.

Yours sincerely

Deane Russell
Executive Director
Energy Retailers Association Australia