UPDATE: NATIONAL ELECTRICITY FORECASTING REPORT

FOR THE NATIONAL ELECTRICITY MARKET

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AEMO
AUSTRALIAN ENERGY MARKET OPERATOR

IMPORTANT NOTICE

Purpose

AEMO publishes the National Electricity Forecasting Report (NEFR) in connection with its national transmission planning and operational functions for the National Electricity Market, to provide MW demand and consumption forecasts for each region in the National Electricity Market.

This NEFR Update is published to give updated information about consumption and demand forecasts after significant new information became available.

This publication is based on information available to AEMO as at 20 March 2017.

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INTRODUCTION

The *2016 National Electricity Forecasting Report* (NEFR) was published on 16 June 2016. It provides independent forecasts for operational consumption and maximum demand for each National Electricity Market (NEM) region over a 20-year outlook period (2016–17 to 2035–36).

AEMO considers that significant new information, which was not available for the 2016 NEFR published in June, is now available.

This new information is based on additional operational data, and relates to Queensland annual operational consumption and maximum demand forecasts.

QUEENSLAND UPDATE

Queensland forecasts of annual operational consumption as well as maximum and minimum demand have been updated to incorporate more recent information on electricity usage from Queensland's Boyne Island Smelter and the Liquefied National Gas (LNG) sector. This information was not available when the 2016 NEFR was finalised.

Based on information obtained from a number of publicly available sources, including corporate media releases and news updates[1], and discussion with industry participants, and verified through observed metering data, the amount of grid-supplied electricity used in production of aluminium and LNG is expected to be lower than previously forecast. This lowers maximum and minimum demand, and annual energy consumption, forecasts for the Queensland region effective from March 2017.

Forecast implications

In the Neutral sensitivity, the annual operational consumption forecast for Queensland is now lower than the 2016 NEFR forecast in each year until the mid-2020s, followed by a recovery to the normal levels for the remainder of the outlook period, as shown in Table 1.

Table 1 Annual operational consumption for the Neutral sensitivity (GWh)

State	2016–17	2021–22	2026–27	2035–36
Queensland updated	50,488	51,753	53,014	51,888

As for annual consumption, Queensland maximum and minimum demand forecasts are lower in each year until the mid-2020s after which they recover to normal levels, as shown in Table 2 and Table 3.

Table 2 Maximum demand for summer and winter[2] (10% POE[3]) for the Neutral sensitivity (GW)

	2016–17		2021–22		2026–27		2035–36	
State	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
Queensland updated	9.6	8.4	9.9	9.0	10.3	9.7	10.6	10.5

Table 3 Minimum demand[4] (90% POE) for the Neutral sensitivity (GW)

State	2016–17	2021–22	2026–27	2035–36
Queensland updated	4.2	4.0	3.4	1.8

[1] This was widely reported, for example at https://www.gladstoneobserver.com.au/news/explained-what-significant-number-of-job-cuts-mean/3150351/.
[2] Winter maximum demand is defined per calendar year. References to financial years in tables, such as 2016–17, should be read as the 2017 calendar year for winter maximum demand purposes.
[3] Probability of Exceedance (POE) refers to the likelihood that a maximum demand forecast will be met or exceeded. A 10% POE maximum demand projection is expected to be exceeded, on average, one year in 10, while 50% and 90% POE projections are expected to be exceeded, on average, five years in 10 and nine years in 10 respectively.
[4] Minimum demand is projected to continue occurring during summer, except in Queensland, where it is expected to take place in autumn.