

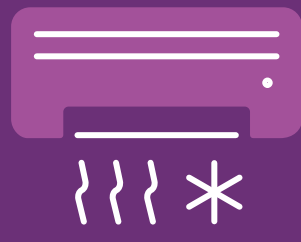
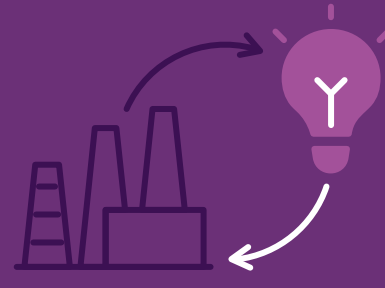
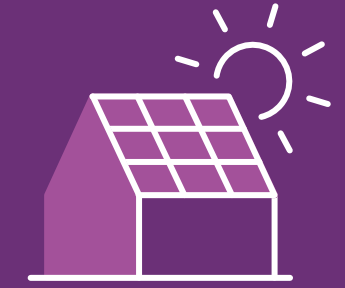
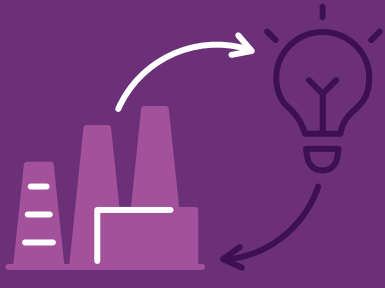
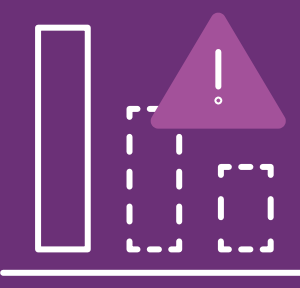







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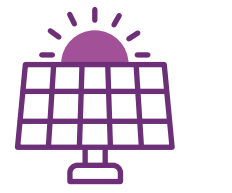
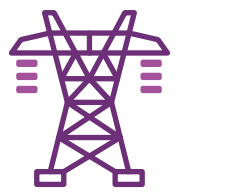
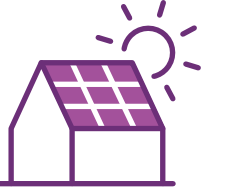
Wholesale Electricity Market (WEM) Electricity Statement of Opportunities (ESOO)

Forecasting electricity demand and operational consumption trends for the next 10 years for the South West Interconnected System (SWIS).

Key findings: For the 10-year outlook period (2023-2033)

 <p>Consumption</p>	 <p>Peak demand</p>	 <p>Small-scale solar</p>	 <p>Supply</p>	 <p>Investment required</p>
 <p>Electricity use (excluding rooftop solar) is forecast to increase on average 5.6% annually.</p> <p>This growth is driven by the expected electrification of transportation and industry.</p>	 <p>Peak demand is forecast to grow on average 4.4% per annum.</p> <p>Rising peak demand is propelled by industrial consumption, electrification of businesses, electric vehicle adoption, and increased air conditioning.</p>	 <p>Small-scale solar, or distributed photovoltaic (DPV), is forecast to grow on average 8.1% annually.</p> <p>DPV uptake is mounting due to forecast reductions in the cost of PV systems, and the relatively short payback period.</p>	 <p>For the first time, the WEM ESOO has identified generation capacity shortfalls throughout the entire outlook period.</p> <p>This is a significant shift on the 2022 outlook and is driven by increasing demand, higher risk of generation outages and planned plant retirements.</p>	 <p>Investment in generation storage and transmission is required to meet forecast reliability gaps and to underpin a resilient, low-emission power system.</p> <p>While AEMO is taking steps to address near-term supply gaps, the ESOO signals investment in capacity is required through the WEM's Reserve Capacity Mechanism from 2025.</p>

SWIS fast facts

 <p>The SWIS supplies electricity to approximately 1.2 million WA households and businesses.</p>	 <p>About 38% of SWIS households currently have rooftop solar installed.</p>
 <p>The SWIS covers 260,000 km – comprising 7,700 km of transmission and 93,350 km of distribution powerlines.</p>	 <p>A minimum demand record was reached in October 2022 when 70% of total demand in the SWIS was met by rooftop solar.</p>

Under the WEM Rules, AEMO can use the Supplementary Reserve Capacity (SRC) and Non-Co-Optimised Essential System Services (NCESS) mechanisms to support power system security and reliability.

AEMO has commenced a process to procure **SRC** for the 2023-24 Hot Period.

AEMO is in the final stages of contracting **NCESS** to secure capacity to help manage peak and minimum demand risks from 2024-26.

