



**Australian Government**  
**Department of Industry**

# Overview of Energy and Regulatory Structure of Australia

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27 August 2014

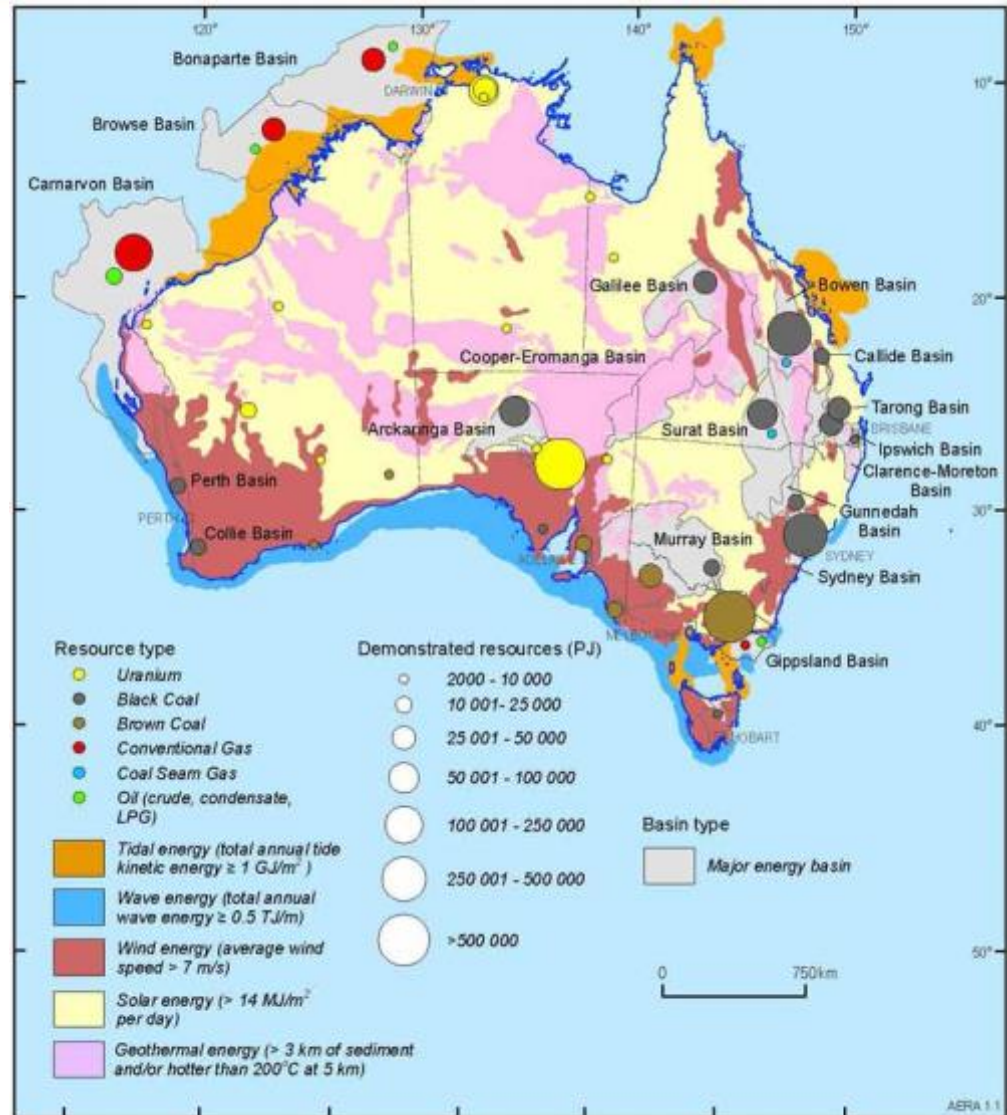


# Australia's Energy Mix

Abundant, high quality and diverse energy resources, both renewable and non-renewable resources.

Three quarters of Australia's electricity is produced using coal.

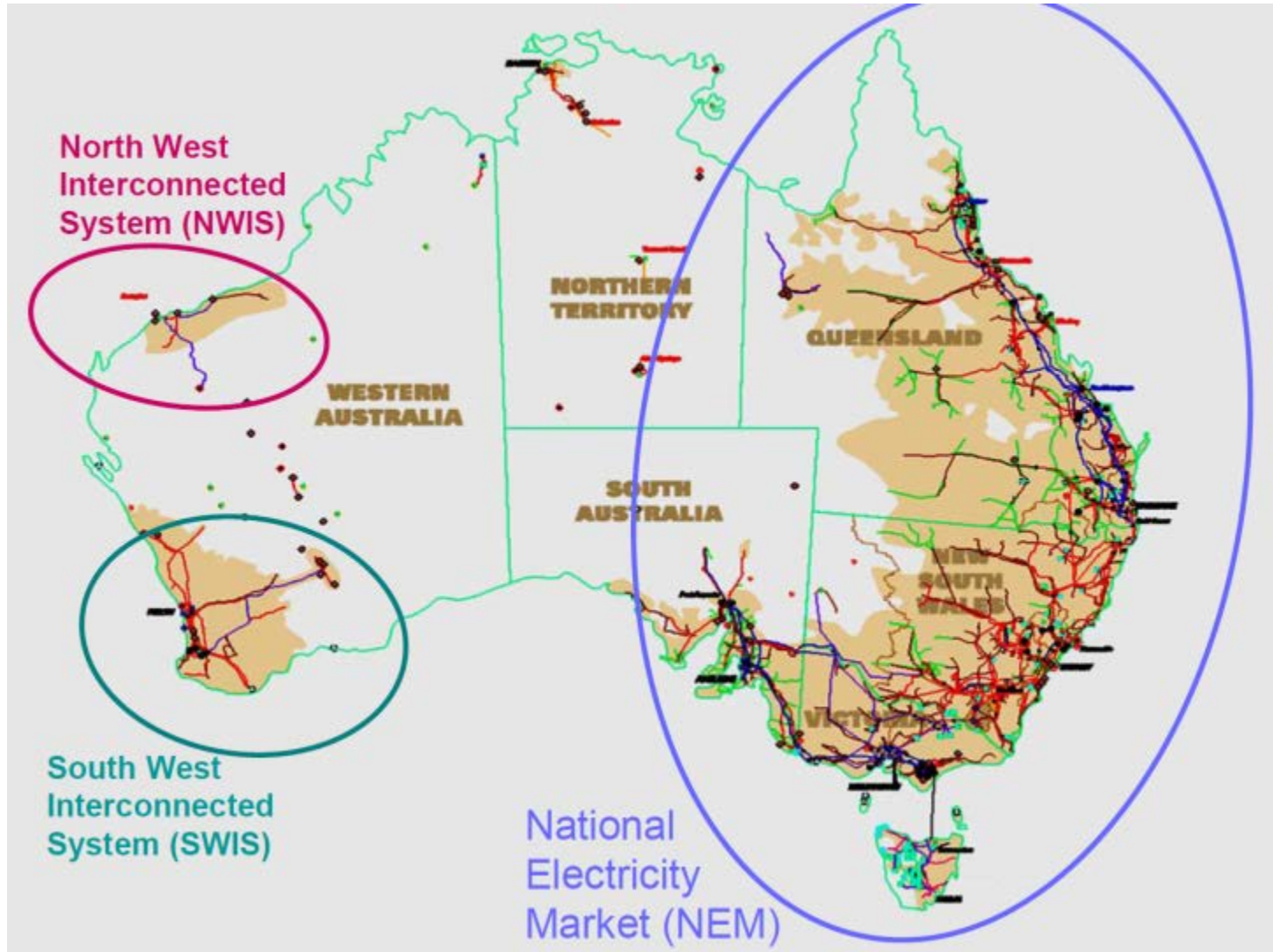
Renewable energy sources (particularly hydroelectricity, wind and bioenergy) account for around 8 per cent of the electricity generation mix.



Australia's major energy resources, excluding hydro and bioenergy

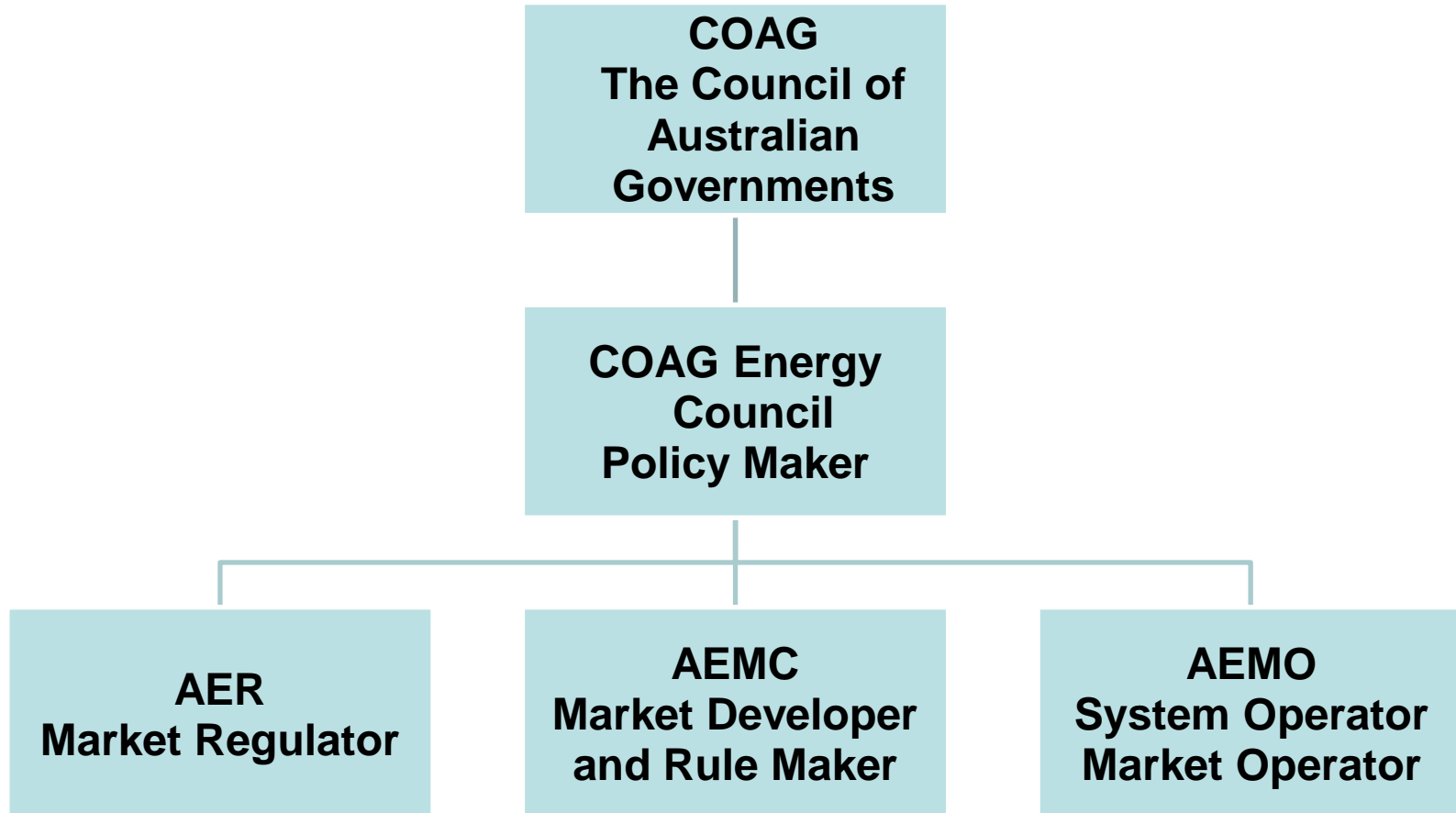


# Australian Electricity Market





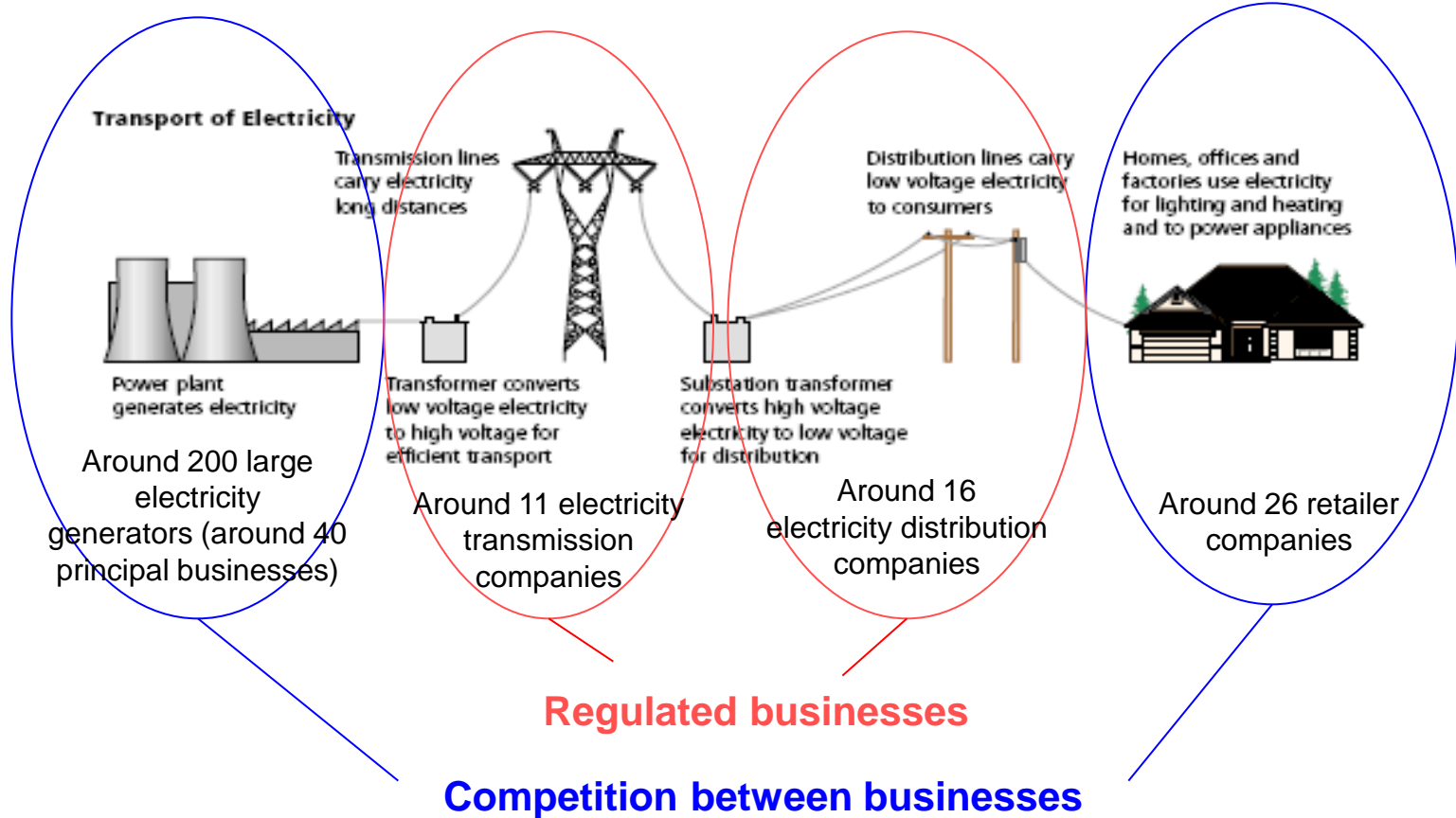
# Energy Market Institutions





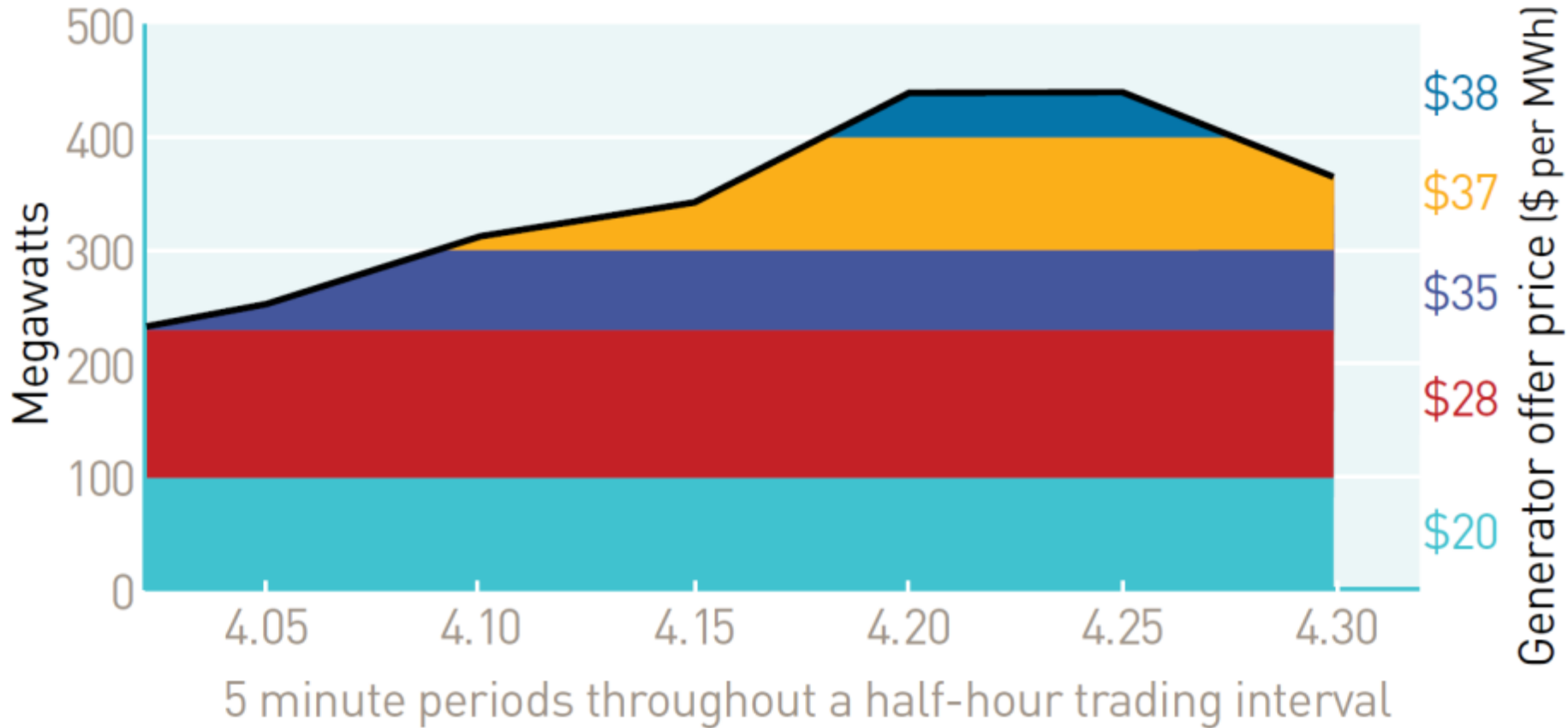
# Australia's Electricity Market Structure

Separate companies for generation, transmission, distribution and retail





# Wholesale Market Operation



- Generator 1
- Generator 2
- Generator 3
- Generator 4
- Generator 5



- Economic regulation of networks
- Appeals mechanisms
- New regulatory investment test
- Demand side reforms
- Consumer engagement
- Retail price competition



## Weighted average cost of capital—electricity and gas distribution

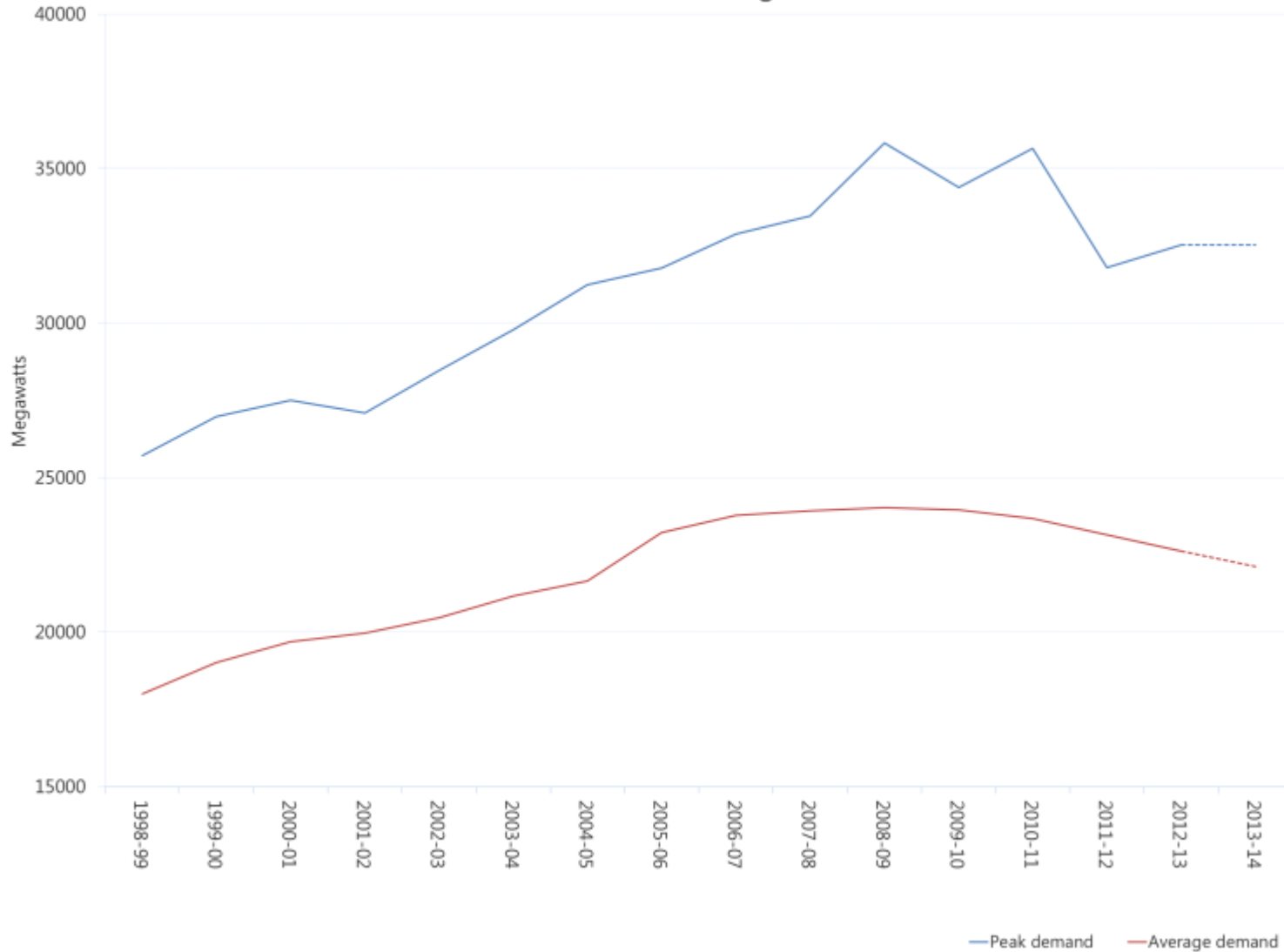


Note: Nominal vanilla weighted average cost of capital.





### Peak demand versus Average demand





- Reliability frameworks
- Tariff reform
- Generation supply
- Renewable Energy Target review
- Strategic assessment of network regulation
- Governance review



# Questions?