



SOUTH AUSTRALIAN CHAMBER OF MINES & ENERGY

SACOME Electricity Buying Group

Rebecca Knol
Chief Executive Officer

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SACOME Electricity Buying Group

About SACOME

- Peak industry body for mining & energy in SA
- Diverse membership base with both industry members and service providers
- Role to facilitate cooperation across industry sectors



Overview

- 22 companies
- Final determination granted in May 2017
- 5 month approvals process



Energy in SA

- SA has the most volatile and expensive wholesale electricity prices in Australia
- Lack of security, reliability and affordability
- SA Government has introduced the 'Our Energy Plan' in response to SA's electricity crisis



South Australian power for South Australians

More of South Australia's power will be sourced, generated and controlled in South Australia.

This plan will ensure South Australia will become more self-reliant for its power. It will transform our energy network to provide reliable 21st century clean energy.

Our energy plan puts South Australians first.

- South Australia's energy plan will:
- ✓ improve reliability
 - ✓ put downward pressure on prices
 - ✓ create local jobs

THE SOUTH AUSTRALIAN PLAN



Battery storage and renewable technology fund

We'll build Australia's largest battery to store energy from the wind and sun – part of a new renewable energy fund supporting clean and affordable energy.



State-owned gas power plant

We'll build our own gas power plant increasing our self-reliance by having our own stand-by power in South Australia.



Local powers over the national market

Introduce strong powers to bring control of the market back into South Australia's hands.



New generation for more competition

Use the SA Government's electricity contract to attract new electricity generation, increase competition and put downward pressure on prices.



South Australian gas incentives

Provide incentives to source more gas for use in South Australia, replacing coal from Victoria.



Energy Security Target

A new Energy Security Target for South Australia to use more secure, locally-made, cleaner energy and become more self-reliant.

✓ 630* jobs for South Australians

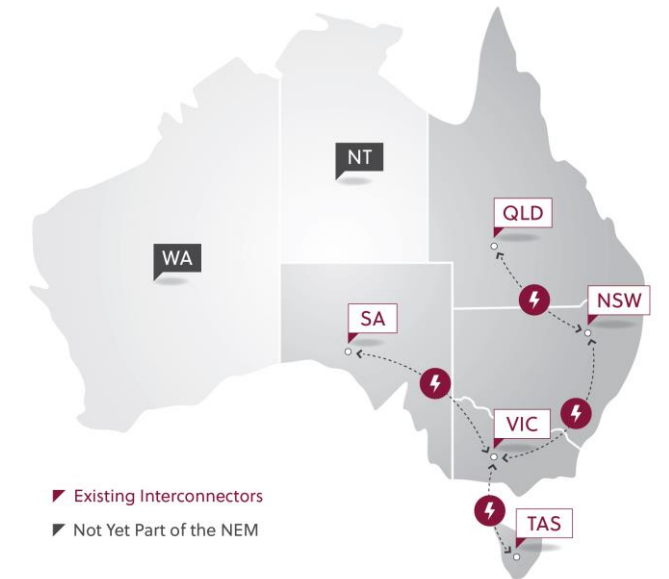
✓ \$550 million* investment

✓ Implementation is already underway

*Based on initial estimates.

Energy issues in SA

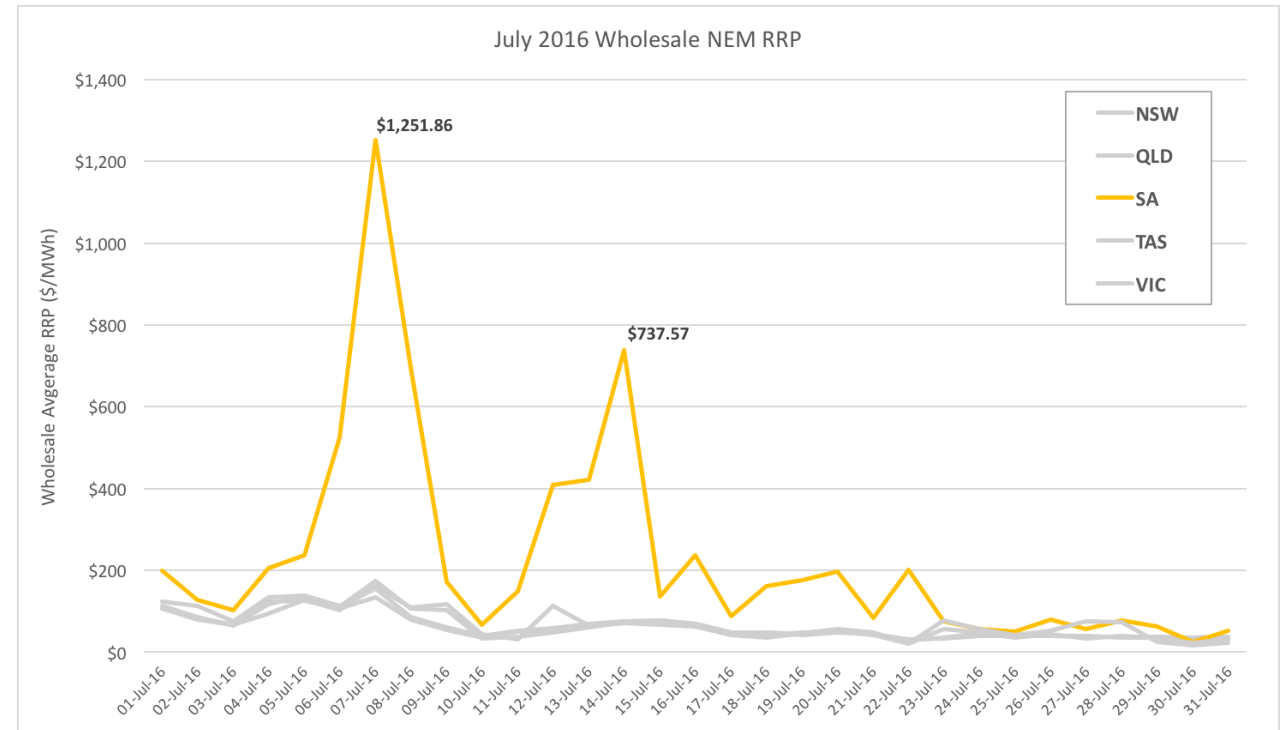
- NEM is undergoing transformational change
- Fossil fuelled generation is being displaced by intermittent, renewable generation
- Challenging in SA due to generation mix and risk of separation from the rest of the NEM



The National Electricity Market (NEM)
Image courtesy of ElectraNet

Why?

- Volatility triggered the creation of the SACOME Energy Markets Committee
- Aggregating load is an opportunity – turning crisis into opportunity





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Next steps

- Expressions of Interest
- RFP
- Tender





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Benefits

- Increasing competition in the SA electricity market
- Driving down of wholesale electricity prices
- Improve power system security – reduces risk of blackout
- Makes investment in SA more cost competitive and more attractive



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Electricity crisis impacts

Member category	Retail	Tertiary education & research	Manufacturing	Agricultural	Mining
Increase in cost of electricity 2016-17	~67% increase	~100% increase	~25% increase; ~250% increase since 2008	~40% increase	~100% increase



...working together to achieve success

"Talent wins games, but teamwork and intelligence wins championships" Michael Jordan