



**AER GIVES HOPE TO IRRIGATORS IN THEIR POWER STRUGGLE**

The New South Wales Irrigators' Council (NSWIC) has welcomed the Australian Energy Regulator's (AER) draft decision to reduce Essential Energy's revenue allowance for power distribution in regional NSW by 37 percent compared to the last determination in 2009.

NSWIC highlighted in its submission to the AER that over the last regulatory period, electricity prices have increased for NSW irrigators by up to 300% and the main driver has been network charges which are now unsustainable and forcing many food and fibre producers to switch of their pumps or go off-grid because they cannot afford the electricity."

The Council's Policy Manager Stefanie Schulte said the AER's draft decision gives irrigators hope that future electricity prices will be reined in to more sustainable levels which will allow irrigators to continue operating pumps and pressurised irrigation equipment.

"We are pleased that the AER has listened to stakeholder concerns and scrutinized Essential Energy's pricing proposal closely. We hope the end result will be a leaner distribution network in regional NSW that is more affordable for irrigators and runs more efficiently."

Ms Schulte said it is no surprise that the networks are screaming about the AER's draft determination.

"They had a free run for the last five years and achieved a combined profit of over \$1 billion in 2013-14 alone. It is incredible that the networks are now claiming that the AER draft decision will lead to job losses and unsafe operational conditions. The AER's draft decision shows that the networks have significant spare capacity, operate inefficiently and have a lower utilisation rate of their network assets than in 2008."

"If power distribution assets are not needed and services are not wanted, the network customers should not have to pay for them".

The Council is urging the AER to stand fast against further pressure from the networks and Government to revise the draft determination.

"The AER current draft decision is a first step in the right direction, but we believe further savings in Essential Energy's operation can be found."

"Irrigators in regional NSW need cuts in their electricity costs and they need them now!" Ms Schulte stated.

Approved: RS / MM

ENDS