

DOC 2 FW BCA article SECUNCLASSIFIED (2).txt

From:
Sent: Tuesday, 10 January 2012 3:42 PM
To:
Subject: FW: BCA article [SEC=UNCLASSIFIED]

Security Classification: UNCLASSIFIED

From:
Sent: Tuesday, 27 September 2011 10:51 AM
To:
Subject: RE: BCA article [SEC=UNCLASSIFIED]

Section 22

Analysis of the Treasury's scenarios suggests a total price elasticity of demand of around -0.3.

That is, a 10 per cent increase in wholesale electricity prices leads to a 3 per cent decrease in electricity demand across the economy, in the medium term.

A recent review of domestic and international literature concluded a 10 per cent increase in prices leads to a fall in demand of between 2 and 4 per cent in the short term and 5 and 7 per cent in the long term.³

Section 22

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