Demand Response, a joint initiative of ARENA and the Australian Energy Market Operator, aims to ensure stable energy supply during times of peak demand. ARENA has contributed $30 million to the project, which will be rolled out in the 2017-18 summer. The NSW government has contributed $7.5 million.

**Step 1:**
Energy users sign up to voluntarily reduce energy usage in times of extreme demand.

**Step 2:**
Electricity demand surges, for example due to extreme weather.

**Step 3:**
Users reduce their energy consumption.

**Step 4:**
Reduced demand helps balance supply and demand and stabilises grid.

**Step 5:**
Users are paid for their reduced demand.