



30 November 2023

Ausgrid's 2024-29 Revised Proposal

Attachment 8.11: Trial tariffs for FY25

Empowering communities for a resilient,
affordable and net-zero future.



Notification template for a distributor intending to provide sub-threshold tariffs. All fields required unless otherwise specified.

Distributor	Ausgrid
Total cumulative revenue of all sub-threshold tariffs (\$ and % AAR)	<p>\$0.4 million, equivalent to 0.0% AAR</p> <p>Note: This is the forecast annual revenue from all sub-threshold tariffs for the upcoming regulatory year. Includes sub-threshold tariffs which commenced in previous years and are continuing. Measured against TAR during annual pricing per NER cl. 6.18.1C(a)(2).</p>
Confirmation for publication	<p>We confirm that this document contains no commercial or private information, and we provide permission for the AER to publish this notification on the AER website.</p>

Name of trial	Local use of system tariff
Objectives of trial	<p>(1) To test price responsiveness to cost reflective tariffs that reflect the network costs of small customers located in a neighbourhood with a community battery.</p> <p>(2) To assess residential customer participation in a community battery retail offer.</p>
Retailer engagement	We are currently engaging with retailers who supply (or will supply) customers located in a neighbourhood with a community battery.
Consumer engagement	Ausgrid currently has community batteries located in Cameron Park, Bankstown, Beacon Hill, Narara, and Cabarita NSW. We have engaged with the residential customers supplied by these batteries and will continue to do so.
Expected consumer and/or retailer response	Our hypothesis is that consumers will elect to subscribe to a retailer product for a community battery, rather than invest in a behind the meter battery. Local use of system tariffs recovery lower residual costs and reflect the benefits of avoided use of the high voltage and transmission components of the network.
Proposed tariff (structure and pricing)	The tariff structure will be developed in consultation with retailers and customers. The tariff charging components will be set to reflect the avoided use of the upstream sections of the network, with a lower allocation of residual costs, transmission charges, and distribution LRMC.
Links to TSS strategy and Export tariff transition strategy (if applicable)	The timing of this trial tariff aligns with our 2024-29 TSS. It will inform our 2029-34 TSS. Including this tariff as a sub-threshold tariff allows Ausgrid to change the price by more than the side constraint (if needed) and change the structure if necessary. This helps ensure that we have tested the tariff before including it in our TSS.
Forecast revenue (\$ and % AAR)	<p>\$0.3 million, equivalent to 0.0% AAR for the upcoming regulatory year</p> <p>Note: Measured against TAR during annual pricing per NER cl. 6.18.1C(a)(1).</p>
Trial start date	1 July 2024
Duration of trial	Five regulatory years
Potential changes and triggers	We will monitor uptake and review the structure and charges in collaboration with applicable retailer and our customer representatives. We want to ensure that customers have cost reflective signals but are no worse off than they would have been on standard network tariffs. This may require annual changes to structure or price levels.
Notification date	November 2023

Sub-threshold tariffs continuing in 2024-25:

Tariff code	Tariff name
EA957	Residential standalone power system (SAP)
EA958	Residential super off-peak
EA964	Flexible load (primary)
EA965	Flexible load (secondary)