
Sub-threshold tariffs 2024-25

Thursday, 29 February 2024

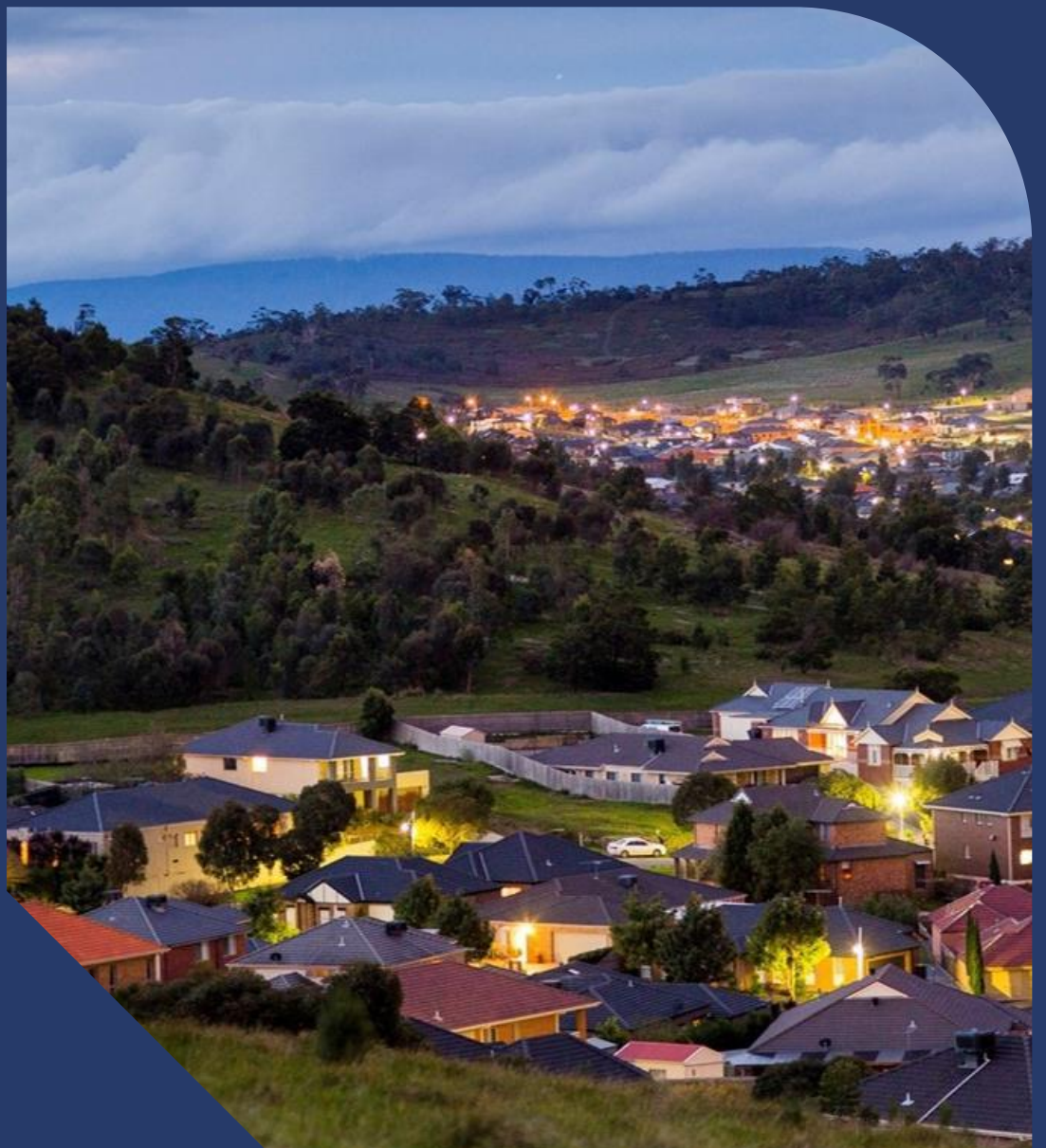


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Introduction

In accordance with Rule 6.18.1C of the National Electricity Rules (NER), AusNet is notifying the Australian Energy Regulator (AER) of its intention to trial the following sub-threshold tariffs from 1 July 2024.

The four sub-threshold tariffs are:

- **Utility energy storage system (HV)** – a tariff for utility scale energy storage systems, operating on the high-voltage network.
- **Utility energy storage system (Sub-Tx)** – a tariff for utility scale energy storage systems, operating on the sub-transmission network.
- **Neighbourhood storage tariff (medium)** - a tariff for medium neighbourhood/community storage systems, operating on the low-voltage network.
- **Neighbourhood storage tariff (large)** - a tariff for large neighbourhood/community storage systems, operating on the low-voltage network.

The above sub-threshold tariffs each have a two-way pricing structure, where we incentivise storage operators to charge/disincentive exports during periods of high solar output and incentivise exports/disincentivise charging during periods of peak demand.

1. Sub-threshold tariff notification

Distributor	AusNet
Total cumulative revenue of all sub-threshold tariffs (\$ and % AAR)	Approximately \$2.99 million, equivalent to 0.36% of the AAR in the upcoming regulatory year.
Confirmation for publication	AusNet confirms that this document contains no commercial or private information and provide permission for the AER to publish this notification on their website.

The sections below outline each sub-threshold tariff under this notification.

1.1. Utility energy storage system (UESS) tariffs

We propose to introduce two tariffs in the Utility Energy Storage category, one for storage systems connected to the HV network and one for those Sub-Tx connected.

1.1.1. UESS (HV) - Proposed tariff

Name of trial	UESS (HV)
Objectives of trial	The objective of the trial is to understand how utility-scale storage systems, such as batteries, connected to AusNet’s high voltage network respond (charge, discharge) to price signals. We will use learnings to inform future tariff design which can help us to better manage the network, including periods of peak loads and periods of excess solar.
Retailer engagement	We have consulted with several retailers on the trial tariff. Engagement with retailers will continue up until trial commencement, and for the duration of the trial period.
Consumer engagement	We have consulted with our Electricity Distribution Price Review (EDPR) Tariffs and Pricing Panel, our Innovation Advisory Committee and our Major Customers forum on the tariff design and structure. We will continue consulting on the progress and outcomes of the trial with all groups, as part of our 2026-31 EDPR engagement program. We have also engaged broadly with storage operators, across various forums and meetings.
Expected consumer and/or retailer response	We expect retailers to pass through the signals to storage operators directly. In response to these pricing signals, we expect storage operators will charge during the middle of the day, when there is high solar excess generation/low network utilisation, and discharge in the evening during peak demand.
Proposed tariff (structure and pricing)	A two-way tariff, including time of use components. When solar output is high (10am-3pm), there will be no cost to consume to incentivise storage operators to charge. This will be paired with an export charge to disincentivise discharging. During peak periods (3pm-9pm), a rebate will incentivise discharging and this will be paired with an import price to

disincentivise charging. During all other periods, there will be a low-price signal for imports, and no cost for exports to incentivise network utilisation. Refer to section 1.1.3 for structure and indicative pricing.

Links to TSS strategy and Export tariff transition strategy (if applicable)	Learnings from the trial will help inform the design and development of potentially permanent tariffs to support uptake of storage systems to support network stabilisation, in the next round of the TSS. The export component of the tariff will demonstrate whether storage systems respond to export price signals, which will inform the development of our Export tariff transition strategy.
Forecast revenue (\$ and % AAR)	Approximately \$0.71 million, equivalent to 0.09% of the AAR in the upcoming regulatory year.
Trial start date	1 July 2024
Duration of trial	Two regulatory years, until the end of the current regulatory control period.
Potential changes and triggers	AusNet will review the customer take up, structure and charges, and duration of the trial annually. Any adjustments will be done in collaboration with affected consumers and stakeholders. We will advise the AER of any proposed changes four months prior to the start of each regulatory year.
Notification date	29 February 2024
Optional information	
Forecast volumes	Up to 5 participants.
Potential additions	NA
Location of trial	AusNet's distribution area.
Other	Available to grid-connected storage system operators, such as batteries connecting to AusNet's HV network. Customers are required to opt in to participate and may opt out at any time during the trial period in which case AusNet will place them onto an alternative tariff based on their load profile/usage characteristics.

1.1.2. UESS (Sub-Tx) - Proposed tariff

Name of trial	UESS (Sub-Tx)
Objectives of trial	The objective of the trial is to understand how grid-scale storage systems, such as batteries, connected to AusNet's sub-transmission network respond (charge, discharge) to price signals. We will use learnings to inform future tariff design which can help us to better manage the network, including periods of peak loads and periods of excess solar.
Retailer engagement	We have consulted with several retailers on the trial tariff. Engagement with retailers will continue up until trial commencement, and for the duration of the trial period.

Consumer engagement	We have consulted with our Electricity Distribution Price Review (EDPR) Tariffs and Pricing Panel, our Innovation Advisory Committee and our Major Customers forum on the tariff design and structure. We will continue consulting on the progress and outcomes of the trial with all groups, as part of our 2026-31 EDPR engagement program. We have also engaged broadly with storage operators, across various forums and meetings.
Expected consumer and/or retailer response	We expect retailers to pass through the signals to storage operators directly. In response to these pricing signals, we expect storage operators will charge during the middle of the day, when there is high solar excess generation/low network utilization and discharge in the evening during peak demand.
Proposed tariff (structure and pricing)	A two-way tariff, including time of use components. When solar output is high (10am-3pm), there will be no cost to consume to incentivise storage operators to charge. This will be paired with an export charge to disincentivise discharging. During peak periods (3pm-9pm), a rebate will incentivise discharging and this will be paired with an import price to disincentivise charging. During all other periods, there will be a low-price signal for imports, and no cost for exports to incentivise network utilisation. Refer to section 1.1.3 for structure and indicative pricing.
Links to TSS strategy and Export tariff transition strategy (if applicable)	Learnings from the trial will help inform the design and development of potentially permanent tariffs to support uptake of storage systems to support network stabilisation, in the next round of the TSS. The export component of the tariff will demonstrate whether storage systems respond to export price signals, which will inform the development of our Export tariff transition strategy.
Forecast revenue (\$ and % AAR)	Approximately \$1.16 million, equivalent to 0.14% of the AAR in the upcoming regulatory year.
Trial start date	1 July 2024
Duration of trial	Two regulatory years, until the end of the current regulatory control period.
Potential changes and triggers	AusNet will review the customer take-up, structure and charges, and duration of the trial annually. Any adjustments will be done in collaboration with affected consumers and stakeholders. We will advise the AER of any proposed changes four months prior to the start of each regulatory year.
Notification date	29 February 2024
Optional information	
Forecast volumes	Up to 5 participants.
Potential additions	NA
Location of trial	AusNet's distribution area.
Other	Available to grid-connected storage operators connecting to AusNet's Sub-Tx network. Customers are required to opt in to participate and may opt out at any time during the trial period in which case AusNet will place them onto an alternative tariff based on their load profile/usage characteristics.

1.1.3. Proposed pricing for Utility Energy Storage System Tarriff Trial

Trial structures

Utility Energy Storage System (UESS) Tariff trial

UESS Tariff Trial (HV) Code: UESH01T

UESS Tariff Trial (Sub-Tx) Code: UESS01T

CHARGING WINDOW	UNIT	IMPORT PRICE DESCRIPTION	EXPORT PRICE DESCRIPTION	INDICATIVE NUOS PRICING (IMPORT)	INDICATIVE NUOS PRICING (EXPORT)	INDICATIVE NUOS PRICING (IMPORT)	INDICATIVE NUOS PRICING (EXPORT)
Fixed charge	Fixed annual charge - \$/year	-	-	5000		18,000	
10am to 3pm (Mon to Sun)	\$kVA per month	No cost to charge.	Cost to export above Basic Export Limit of 3.5 kW ¹	0	1.09	0	0.64
3pm to 9pm (Mon to Sun)	\$kVA per month, c/kWh for rebate	Strong peaky price signal to disincentivize charging.	Rebate to be provided to incentivise discharging.	2.00	-2.50	1.15	-1.80
All other times	\$kVA per month	Low price signal during off peak times.	No rebate or cost to discharge.	0.58	0	0.31	0

1. Based on Ausnet's 2026 intrinsic hosting capacity |

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1.2. Neighbourhood storage tariffs

We propose to introduce two tariffs in the neighbourhood / community storage category, one for medium storage systems (up to 250 KW) and one for larger storage systems (between 250 KW and up to 1 MW).

1.2.1. Neighbourhood storage (medium) - Proposed tariff

Name of trial

Neighbourhood storage (medium)

Objectives of trial

The objective of the trial is to understand how medium community-scale storage systems, such as batteries, connected to AusNet's low-voltage network respond (charge, discharge) to price signals. Learnings can be used to inform future tariff design which can help us to better manage the network, including periods of peak loads and periods of excess solar.

Retailer engagement

We have consulted with several retailers on the trial tariff. Engagement with retailers will continue up until trial commencement, and for the duration of the trial period.

Consumer engagement

We have consulted with our Electricity Distribution Price Review (EDPR) Tariffs and Pricing Panel, our Innovation Advisory Committee and our Major Customers forum on the tariff design and structure. We will continue consulting on the progress and outcomes of the trial with all groups, as part of our 2026-31 EDPR engagement program. We have also engaged broadly with storage operators, across various forums and meetings.

Expected consumer and/or retailer response	We expect retailers to pass through the signals to storage operators directly. In response to these pricing signals, we expect storage operators will charge during the middle of the day, when there is high solar excess generation/low network utilisation, and discharge in the evening during peak demand.
Proposed tariff (structure and pricing)	A two-way tariff, including time of use components. When solar output is high (10am-3pm), there will be no cost to consume to incentivise storage operators to charge. This will be paired with an export charge to disincentive discharging. During peak periods (3pm-9pm), a rebate will incentivise discharging and this will be paired with an import price to disincentivise charging. During all other periods, there will be a low-price signal for imports, and no cost for exports to incentivise network utilisation. Refer to section 1.2.3 for structure and indicative pricing.
Links to TSS strategy and Export tariff transition strategy (if applicable)	Learnings from the trial will help inform the design and development of potentially permanent tariffs to support uptake of storage systems to support network stabilisation, in the next round of the TSS. The export component of the tariff will demonstrate whether storage systems respond to export price signals, which will inform the development of our Export tariff transition strategy.
Forecast revenue (\$ and % AAR)	Approximately \$0.03 million, equivalent to 0.004% of the AAR in the upcoming regulatory year.
Trial start date	1 July 2024
Duration of trial	Two regulatory years, until the end of the current regulatory control period.
Potential changes and triggers	AusNet will review the customer take up, structure and charges, and duration of the trial annually. Any adjustments will be done in collaboration with affected consumers and stakeholders. We will advise the AER of any proposed changes four months prior to the start of each regulatory year.
Notification date	29 February 2024
Optional information	
Forecast volumes	Up to 40 participants.
Potential additions	NA
Location of trial	AusNet's distribution area.
Other	Available to grid-connected storage operators (up to 250 kW) connecting to AusNet's LV network. Customers are required to opt in to participate and may opt out at any time during the trial period in which case AusNet will reassign them onto an alternative tariff based on their load profile/usage characteristics.

1.2.2. Neighbourhood storage (large) - Proposed tariff

Name of trial	Neighbourhood storage (large)
Objectives of trial	The objective of the trial is to understand how large community-scale storage systems, such as batteries connected to AusNet's low-voltage network respond (charge, discharge) to price signals. We will use learnings to inform future tariff design which can help us to better manage the network, including periods of peak loads and periods of excess solar.
Retailer engagement	We have consulted with several retailers on the trial tariff. Engagement with retailers will continue up until trial commencement, and for the duration of the trial period.
Consumer engagement	We have consulted with our Electricity Distribution Price Review (EDPR) Tariffs and Pricing Panel, our Innovation Advisory Committee and our Major Customers forum on the tariff design and structure. We will continue consulting on the progress and outcomes of the trial with all groups, as part of our 2026-31 EDPR engagement program. We have also engaged broadly with storage operators, across various forums and meetings.
Expected consumer and/or retailer response	We expect retailers to pass through the signals to storage operators directly. In response to these pricing signals, we expect storage operators will charge during the middle of the day, when there is high solar excess generation/low network utilisation, and discharge in the evening during peak demand.
Proposed tariff (structure and pricing)	A two-way tariff, including time of use components. When solar output is high (10am-3pm), there will be no cost to consume to incentivise storage operators to charge. This will be paired with an export charge to disincentivise discharging. During peak periods (3pm-9pm), a rebate will incentivise discharging and this will be paired with an import price to disincentivise charging. During all other periods, there will be a low-price signal for imports, and no cost for exports to incentivise network utilisation. Refer to section 1.2.3 for structure and indicative pricing.
Links to TSS strategy and Export tariff transition strategy (if applicable)	Learnings from the trial will help inform the design and development of potentially permanent tariffs to support uptake of storage systems to support network stabilisation, in the next round of the TSS. The export component of the tariff will demonstrate whether storage systems respond to export price signals, which will inform the development of our Export tariff transition strategy.
Forecast revenue (\$ and % AAR)	Approximately \$0.10 million, equivalent to 0.01% of the AAR in the upcoming regulatory year.
Trial start date	1 July 2024
Duration of trial	Two regulatory years, until the end of the current regulatory control period.
Potential changes and triggers	AusNet will review the customer take-up, structure, and charges, and duration of the trial annually. Any adjustments will be done in collaboration with affected consumers and stakeholders. We will advise the AER of any proposed changes four months prior to the start of each regulatory year.
Notification date	29 February 2024

Optional information

Forecast volumes	Up to 30 participants
Potential additions	NA
Location of trial	AusNet's distribution area.
Other	Available to grid-connected storage operators (between 250 KW and 1MW) connecting to AusNet's LV network. Customers are required to opt in to participate and may opt out at any time during the trial period in which case AusNet will reassign them onto an alternative tariff based on their load profile/usage characteristics.

1.2.3. Proposed pricing for Neighbourhood Storage Tarriff Trials

Trial structures

Neighbourhood Storage Tariff trial

Neighbourhood Storage Tariff Trial (Medium)

Code: *NSSM01T*

Neighbourhood Storage Tariff Trial (Large)

Code: *NSSL01T*

CHARGING WINDOW	UNIT	IMPORT PRICE DESCRIPTION	EXPORT PRICE DESCRIPTION	INDICATIVE NUOS PRICING (IMPORT)	INDICATIVE NUOS PRICING (EXPORT)	INDICATIVE NUOS PRICING (IMPORT)	INDICATIVE NUOS PRICING (EXPORT)
Fixed charge	Fixed annual charge \$/year	-	-	250		3170.61	
10am to 3pm (Mon to Sun)	c/kWh	No cost to charge.	Cost to export above Basic Export Limit of 3.5 kW ¹	0	4.05	0	3.65
3pm to 9pm (Mon to Sun)	c/kWh	Strong peaky price signal to disincentivize charging.	Rebate to be provided to incentivise discharging.	13.97	-2.10	11.57	-1.20
All other times	c/kWh	Low price signal during off peak times.	No rebate or cost to discharge.	4.05	0	3.65	0




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1. Based on Ausnet's 2026 intrinsic hosting capacity |

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