

# AusNet

## Sub-threshold tariffs 2023-24

Tuesday, 28 February 2023



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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 2023.

The three sub-threshold tariffs are:

- **EV Dynamic** – a time of use tariff with the inclusion of a solar soak component and an event driven signal;
- **CPD+** - critical peak demand (CPD) tariffs with shorten CPD day notification; and
- **CPD Flex** – CPD tariff with the inclusion of a solar soak component.

# 1. Sub-threshold tariff notification

Distributor	AusNet
<b>Total cumulative revenue of all sub-threshold tariffs (\$ and % AAR)</b>	Approximately \$0.99 million, equivalent to 0.129% of the AAR in the upcoming regulatory year.
<b>Confirmation for publication</b>	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 outlines each sub-threshold tariff under this notification.

## 1.1. EV Dynamic

Name of trial	EV Dynamic
<b>Objectives of trial</b>	The objective of the trial is to understand EV charging response to pricing signals, customers' response to additional incentives encouraging EV charging behaviour on maximum or minimum demand days, and to gather evidence on the efficiency and effectiveness of an event-based tariff.
<b>Retailer engagement</b>	Notified and consulted with a number of retailers. At this stage at least one retailer is interested to participate in the trial. Engagement with retailers will continue for the duration of the trial period.
<b>Consumer engagement</b>	Consulted with our Customer Consultative Committee (CCC) on the tariff design and structure. We will be consulting on the progress and outcomes of the trial with our Pricing and Tariffs Sub-Panel as part of our 2026-31 EDPR engagement program.
<b>Expected consumer and/or retailer response</b>	Retailers to pass through the signals to encourage EV customers to consume during the period of the day with high solar excess generation or at times with low network utilisation and respond to the maximum/minimum demand day events we call to manage demand in our network.
<b>Proposed tariff (structure and pricing)</b>	<p>A time of use tariff with a solar soak component and an event driven signal targeting EV customers. The solar soak component seeks to incentivise customers by paying them to charge during this period. The event driven signal will notify customers to increase or curtail EV charging to manage maximum/minimum demand days. Customers will be rewarded for responding to this signal.</p> <p>A total of up to 10 maximum/minimum day events will be called per regulatory year.</p> <p>Refer to section 1.1.1 for structure and indicative pricing.</p>
<b>Links to TSS strategy and Export tariff transition strategy (if applicable)</b>	Learnings from the trial will help inform the design and development of tariffs to complement the adoption of electric vehicles and other emerging technologies in the next round of the TSS.
<b>Forecast revenue (\$ and % AAR)</b>	Approximately \$0.13 million, equivalent to 0.016% of the AAR in the upcoming regulatory year.

<b>Trial start date</b>	1 July 2023
<b>Duration of trial</b>	Three regulatory years, until the end of the current regulatory control period.
<b>Potential changes and triggers</b>	AusNet will review the customer take up, structure and charges annually. Any adjustments will be done in collaboration with affected retailers and stakeholders. We will advise the AER of any proposed changes four months prior to the start of each regulatory year.
<b>Notification date</b>	28 February 2023
<b>Optional information</b>	
<b>Forecast volumes</b>	Up to 300 residential EV customers.
<b>Potential additions</b>	NA
<b>Location of trial</b>	AusNet's distribution area
<b>Other</b>	Available to residential customers with a smart meter and ownership of an electric vehicle. Customers are required to opt in to participate, and may opt out at any time during the trial period.

## 1.1.1. EV Dynamic - Proposed tariff

**Proposed tariff code:** NAST16T

TARIFF COMPONENTS	DESCRIPTION	INDICATIVE PRICES 2023/24 <sup>1</sup>
Standing charge	Fixed amount	128.82 \$/yr
Peak	3pm to 9pm* Monday to Sunday (inc. public holidays)	26.1191 c/kWh
Solar soak	10am to 3pm* Monday to Sunday (inc. public holidays)	-1.0000 c/kWh
Off peak	All other times*	5.3749 c/kWh
Rebate	Scaled rebate per event	3 kW (Min) - \$3 4 kW - \$4 5 kW - \$5 6 kW (Max) - \$6

\* Local time

<sup>1</sup> Indicative pricing levels as at the time of tariff notification. Prices are subject to change in accordance with AusNet's relevant annual pricing proposals process.

## 1.2. CPD+

Name of trial	CPD+
<b>Objectives of trial</b>	The objective of the trial is to obtain learnings from large customers' response and behaviour to the calling of a CPD day in a short timeframe (5 hours ahead of event) based on more real time demand data and updated weather information to better manage peak demand in our network.
<b>Retailer engagement</b>	Notified and consulted with a number of retailers. Engagement with retailers will continue for the duration of the trial period, and we will work with retailers and customers to facilitate customers' participation in this trial.
<b>Consumer engagement</b>	Consulted with our Customer Consultative Committee (CCC) on the tariff design and structure. We will be consulting on the progress and outcomes of the trial with our Pricing and Tariffs Sub-Panel as part of our 2026-31 EDPR engagement program.
<b>Expected consumer and/or retailer response</b>	Encourage customers to respond to the shorten CPD day notification.
<b>Proposed tariff (structure and pricing)</b>	<p>The proposed tariffs will mirror the structure and pricing of the following existing CPD tariffs (i.e. NSP56, NSP75, NSP76, NSP77 and NSP78).</p> <p>The trial will allow AusNet to call up to 10 CPD days<sup>2</sup> per CPD period<sup>3</sup> where:</p> <ul style="list-style-type: none"> <li>• 5 CPD days will be called one business day ahead, and;</li> <li>• the remainder (up to) 5 CPD days will be called 5 hours ahead (shorten CPD day notification).</li> </ul> <p>Customers responding to CPD days will contribute to the calculation of their CPD charge. The CPD charge is calculated by multiplying the CPD value<sup>4</sup> and against the relevant CPD price.<sup>5</sup></p> <p>Customers who also reduce their demand by responding to a shorten CPD day notification, will receive a 10% discount on their capacity charge. The capacity charge is calculated by reducing the customers' agreed capacity value by 10% and multiplying it against the relevant capacity price.<sup>5</sup></p> <p>Customer eligibility to capacity charge discount:</p> <ul style="list-style-type: none"> <li>• will be reviewed annually after each CPD period;</li> <li>• must remain on the tariff trial, and;</li> <li>• for the duration of the customer participating in the trial.</li> </ul> <p>Refer to section 1.2.1 for structure and indicative pricing.</p>
<b>Links to TSS strategy and Export tariff transition strategy (if applicable)</b>	Learnings from the trial will inform the development of alternative tariff options for large customers in the next round of the TSS.

<sup>2</sup> CPD days are called on weekdays and we ask participating customers to reduce their demand between 2pm to 6pm AEST.

<sup>3</sup> A CPD period is defined as the period between December to March.

<sup>4</sup> The CPD value is calculated by taking the average of the maximum demands recorded between 2pm to 6pm AEST on all CPD days.

<sup>5</sup> Applied from 1 April to 31 March following a CPD period.

<b>Forecast revenue (\$ and % AAR)</b>	Approximately \$0.60 million, equivalent to 0.078% of the AAR in the upcoming regulatory year.
<b>Trial start date</b>	1 July 2023
<b>Duration of trial</b>	Three regulatory years, until the end of the current regulatory control period.
<b>Potential changes and triggers</b>	AusNet will review the customer take up, structure and charges annually. Any adjustments will be done in collaboration with affected retailers and stakeholders. We will advise the AER of any changes four months prior to the start of each regulatory year.
<b>Notification date</b>	28 February 2023
<b>Optional information</b>	
<b>Forecast volumes</b>	Up to 5 customers.
<b>Potential additions</b>	NA
<b>Location of trial</b>	AusNet's distribution area
<b>Other</b>	Available to existing customers on a CPD tariff. To qualify for the trial, customers' consumption must be greater than 160 MWh per annum and connected to AusNet's low voltage network. Customers are required to opt in to participate, and may opt out at any time during the trial period.

## 1.2.1. CPD+ - Proposed tariffs

**Proposed tariff code:** NSP56T (NSP56 equivalent)

TARIFF COMPONENTS	DESCRIPTION	INDICATIVE PRICES 2023/24 <sup>1</sup>
Standing charge	Fixed amount	3,354.71 \$/yr
Peak	4pm to 9pm* Monday to Friday	14.7077 c/kWh
Shoulder	10am to 4pm* Monday to Friday	11.2649 c/kWh
Off peak	All other times*	4.8974 c/kWh
Capacity charge	Fixed amount	22.14 \$/kVA/yr
Critical peak demand charge	Fixed amount	36.91 \$/kVA/yr

**Proposed tariff code:** NSP75T (NSP75 equivalent)

TARIFF COMPONENTS	DESCRIPTION	INDICATIVE PRICES 2023/24 <sup>1</sup>
Standing charge	Fixed amount	7,188.61 \$/yr
Peak	7am to 10am, 4pm to 11pm* Monday to Friday	5.6590 c/kWh
Shoulder	10am to 4pm* Monday to Friday	4.4940 c/kWh

Off peak	All other times*	1.9670 c/kWh
Capacity charge	Fixed amount	53.80 \$/kVA/yr
Critical peak demand charge	Fixed amount	90.23 \$/kVA/yr

**Proposed tariff code:** NSP76T (NSP76 equivalent)

TARIFF COMPONENTS	DESCRIPTION	INDICATIVE PRICES 2023/24 <sup>1</sup>
Standing charge	Fixed amount	7,188.61 \$/yr
Peak	7am to 10am, 4pm to 11pm* Monday to Friday	5.4334 c/kWh
Shoulder	10am to 4pm* Monday to Friday	4.2658 c/kWh
Off peak	All other times*	1.8294 c/kWh
Capacity charge	Fixed amount	56.10 \$/kVA/yr
Critical peak demand charge	Fixed amount	94.87 \$/kVA/yr

**Proposed tariff code:** NSP77T (NSP77 equivalent)

TARIFF COMPONENTS	DESCRIPTION	INDICATIVE PRICES 2023/24 <sup>1</sup>
Standing charge	Fixed amount	7,188.61 \$/yr
Peak	7am to 10am, 4pm to 11pm* Monday to Friday	5.3853 c/kWh
Shoulder	10am to 4pm* Monday to Friday	4.2486 c/kWh
Off peak	All other times*	1.7632 c/kWh
Capacity charge	Fixed amount	61.50 \$/kVA/yr
Critical peak demand charge	Fixed amount	102.09 \$/kVA/yr

**Proposed tariff code:** NSP78T (NSP78 equivalent)

TARIFF COMPONENTS	DESCRIPTION	INDICATIVE PRICES 2023/24 <sup>1</sup>
Standing charge	Fixed amount	7,188.61 \$/yr
Peak	7am to 10am, 4pm to 11pm* Monday to Friday	5.0437 c/kWh
Shoulder	10am to 4pm* Monday to Friday	4.0244 c/kWh
Off peak	All other times*	1.6054 c/kWh
Capacity charge	Fixed amount	67.66 \$/kVA/yr
Critical peak demand charge	Fixed amount	111.93 \$/kVA/yr

\* Australian eastern standard time (AEST)



# 1.3. CPD Flex

Name of trial	CPD Flex
<b>Objectives of trial</b>	<p>The objective of the trial is to understand customers with flexible load (i.e. large scale batteries or electrolyzers) responses to pricing signals, obtain learnings from their response and behaviour to the calling of a CPD day in a short timeframe (5 hours ahead of event) based on more real time demand data and updated weather information, and to test whether this tariff can help achieve better utilisation of our network.</p>
<b>Retailer engagement</b>	<p>Notified and consulted with a number of retailers. Engagement with retailers will continue for the duration of the trial period, and we will work with retailers and customers to facilitate customers' participation in this trial.</p>
<b>Consumer engagement</b>	<p>Consulted with our Customer Consultative Committee (CCC) on the tariff design and structure. We will be consulting on the progress and outcomes of the trial with our Pricing and Tariffs Sub-Panel as part of our 2026-31 EDPR engagement program.</p>
<b>Expected consumer and/or retailer response</b>	<p>Encourage customers to consume energy in accordance with the pricing signals set in this tariff trial.</p>
<b>Proposed tariff (structure and pricing)</b>	<p>A CPD tariff with a low c/kWh solar soak component to incentivise customers to consume during this period.</p> <p>The trial will allow AusNet to call up to 10 CPD days per CPD period (December to March) where:</p> <ul style="list-style-type: none"> <li>• 5 CPD days will be called one business day ahead, and;</li> <li>• the remainder (up to) 5 will be called 5 hours ahead (shorten CPD notification).</li> </ul> <p>Customers responding to CPD days will contribute to the calculation of their CPD charge. The CPD charge is calculated by multiplying the CPD value<sup>4</sup> and against the relevant CPD price.<sup>5</sup></p> <p>For existing customers participating in this trial, the existing CPD value will apply until a new CPD value is calculated under this tariff trial.</p> <p>For new customers, the initial CPD value applicable will be calculated as 10% of the agreed capacity value. When a CPD value is available on the completion of a customer first CPD period, the CPD value will be backdated to the initial connection date and the CPD charge will be rebilled.</p> <p>Refer to section 1.3.1 for structure and indicative pricing.</p>
<b>Links to TSS strategy and Export tariff transition strategy (if applicable)</b>	<p>Learnings from the trial will inform the development of large customer tariffs to complement customers with flexible loads in the next round of the TSS.</p>
<b>Forecast revenue (\$ and % AAR)</b>	<p>Approximately \$0.26 million, equivalent to 0.034% of the AAR in the upcoming regulatory year.</p>
<b>Trial start date</b>	<p>1 July 2023</p>
<b>Duration of trial</b>	<p>Three regulatory years, until the end of the current regulatory control period.</p>

## Potential changes and triggers

AusNet will review the customer take up, structure and charges annually. Any adjustments will be done in collaboration with affected retailers and stakeholders. We will advise the AER of any changes four months prior to the start of each regulatory year.

**Notification date** 28 February 2023

## Optional information

**Forecast volumes** Up to 40 customers.

**Potential additions** NA

**Location of trial** AusNet's distribution area

**Other** Available to new and existing customers.

To qualify for the trial, customers' consumption must be greater than 400 MWh per annum, demand must be greater than 150 kVA, and connected to AusNet's low voltage network.

Customers are required to opt in to participate, and may opt out at any time during the trial period.

## 1.3.1. CPD Flex - Proposed tariff

**Proposed tariff code:** NSP79T




TARIFF COMPONENTS	DESCRIPTION	INDICATIVE PRICES 2023/24 <sup>1</sup>
Standing charge	Fixed amount	7,188.61 \$/yr
Peak	5pm to 7pm* Monday to Friday	12.9914 c/kWh
Shoulder	2pm to 5pm, 7pm to 9pm* Monday to Friday	8.5921 c/kWh
Solar soak	8am to 2pm* Monday to Friday	0.50 c/kWh
Off peak	All other times*	2.0952 c/kWh
Capacity charge	Fixed amount	55.49 \$/kVA/yr
Critical peak demand charge	Fixed amount	93.26 \$/kVA/yr

\* Australian eastern standard time (AEST)

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