

# Tariff Trial – Electrify



Empowering South Australia

18 February 2022

SA Power Networks is proposing to trial a new network tariff from 1 July 2022 to encourage customers with an above average energy consumption to use more of their energy outside peak demand times.

## Objectives of the trial

The proposed tariff trial **Electrify** is an evolution of the Residential Time of Use Plus (RToU+) tariff trialled in 2021–22. The tariff continues to provide stronger pricing signals than Residential Time of Use (RToU) and a simpler structure than Residential Prosumer (RPRO) (the trial tariffs have no demand component).

Electrify is designed for customers who predominantly or solely meet their energy needs through electricity, but have sufficient flexibility in their appliances, eg electric vehicles (EV), heat pumps, energy storage etc, to optimise their usage outside peak demand periods. These customers are expected to have an above average energy consumption, so the tariff is structured to provide more opportunities throughout the day to access lower cost electricity outside of distribution network peak periods.

The RToU+ Peak time period of November to March has been adjusted to create an Electrify year-round Peak of 4 hours, 5:00pm–9:00pm local time. This change is an attempt to simplify the tariff structure by not distinguishing between summer and winter, and to recognise that, over time, electrification will increase winter peak demand. As a result, a lower Peak price and a lower 15 hour Shoulder price can be created. Low prices are available for 20 hours per day with Electrify, with 5 hours of Solar Sponge and 15 hours of Shoulder.

Electrify, through its price signals and structure aims to encourage residential customers to manage their electricity usage at peak times, when the distribution network is under its greatest constraint. The tariff also creates large windows of time where flexible usage can be accessed, eg storage of energy in a battery, charging an EV, heating a home or hot water. This tariff may also reward those homes with efficient insulation that enables lower peak energy usage for heating and cooling.

As our society works towards a decarbonised future, SA Power Networks expects to see the continued electrification of residential households. It is imperative that through this transition we establish customer behaviour that encourages maximum utilisation of the existing distribution network.

## Retailer engagement

SA Power Networks has consulted with a number of retailers of varying market share. This consultation has led to Electrify in its current form. Those retailers who currently have large numbers of residential customers on the RToU+ tariff trial have indicated they are comfortable for those customers to be reassigned to Electrify from 1 July 2022.

SA Power Networks will also inform those retailers who have a retail offering with RToU+ that it will cease on 30 June 2022 to be replaced with Electrify.

## Consumer engagement

SA Power Networks has consulted with a number of key external stakeholders in the development of the Electrify tariff trial. This consultation has led to the Electrify tariff in its current form. External stakeholders include the SA Power Networks' Tariff Working Group and SA Government.

## Proposed tariff (structure and pricing)

Local time

<b>Peak</b>	5:00pm–9:00pm
<b>Shoulder</b>	All other times
<b>Solar Sponge</b>	10:00am–3:00pm
<b>Status</b>	Opt-in tariff trial

	SA Power Networks Electrify Indicative only at 2021/22 prices	Price vs Residential Single Rate 0.1346 \$/kWh 2021/22
<b>NUoS</b>		
Supply – \$/Day	0.4932	
Peak – \$/kWh	0.2867	2.13 Times
Shoulder – \$/kWh	0.0910	0.67 Times
Solar Sponge – \$/kWh	0.0201	0.15 Times

<b>Forecast revenue</b>	Up to \$8.02 million, equivalent to 1.0% AAR, if the trial is fully subscribed at approximately 16,000 participants
<b>Trial start date</b>	1 July 2022
<b>Duration of trial</b>	1 July 2022 to 30 June 2025. The details of the trial including forecast revenue will be reviewed annually in February.
<b>Notification date</b>	18 February 2022
<b>Forecast volumes</b>	Up to 16,000 participants
<b>Location of trial</b>	State-wide

## Potential changes and triggers

SA Power Networks will review the trial outcomes in collaboration with each participant retailer annually in February. Any changes would be agreed and submitted to the AER for approval by no later than 28 February.

## Energy usage all year

	Mon	Tue	Wed	Thu	Fri	Sat	Sun
01:00							
02:00							
03:00							
04:00							
05:00				Shoulder			
06:00							
07:00							
08:00							
09:00							
10:00	Solar Sponge 10am-3pm						
11:00							
12:00							
13:00							
14:00	Peak 5pm-9pm						
15:00							
16:00							
17:00							
18:00							
19:00							
20:00							
21:00							
22:00							
23:00							
24:00							

# Tariff Trial – Diversify



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18 February 2022

SA Power Networks is proposing to trial a new network tariff from 1 July 2022 that incentivises residential electric vehicle (EV) customers to enrol their smart chargers in SA Power Networks' EV demand management scheme.

## Objectives of the trial

The proposed trial tariff **Diversify** offers a daily rebate to incentivise residential customers with an Electric Vehicle (EV) to allow SA Power Networks to regulate the charging rate of their smart EV chargers on the rare occasions when the distribution network has limited capacity. This will enable SA Power Networks to increase the diversity of EV charging load thereby avoiding inefficient distribution network investment.

SA Power Networks aims to align this trial offering with the SA Government Smart EV Charger subsidy, which is offering up to \$2,000 to 7,500 consumers to install a smart EV charger.

## Retailer engagement

SA Power Networks has consulted with a number of retailers of varying market share. This consultation will continue as the technical specifications are refined to ensure that retailers are able to develop a retail offer for customers.

## Consumer engagement

SA Power Networks has consulted with a number of key external stakeholders in the development of the Diversify rebate. This consultation has led to the Diversify rebate in its current form.

External stakeholders include the SA Power Networks' Tariff Working Group as well as SA Government and the Electric Vehicle Council.

## Proposed tariff (structure and pricing)

<b>Rebate</b>	0.30–0.35 \$/day (excluding GST) or 120–140 \$/year (including GST)
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Accessible to those residential customers who allow SA Power Networks to occasionally limit their rate of EV charging through a smart EV charger. The rebate is independent of the meter type and residential tariff.

The rebate is only available to retailers that have engaged an SA Power Networks approved smart EV charging solution provider who have agreed to comply with SA Power Networks' technical specification.

<b>Forecast revenue</b>	Up to \$0.96 million, equivalent to 0.12% AAR if the trial is fully subscribed at 7,500 residential participants in the first year
<b>Trial start date</b>	1 July 2022
<b>Duration of trial</b>	1 July 2022 to 30 June 2025. The details of the trial including forecast revenue will be reviewed annually in February.
<b>Notification date</b>	18 February 2022
<b>Forecast volumes</b>	Up to 7,500 residential participants in the first year
<b>Location of trial</b>	State-wide

## Potential changes and triggers

SA Power Networks will review the trial outcomes in collaboration with each participant retailer annually in February. Any changes would be agreed and submitted to the AER for approval by no later than 28 February.

SA Power Networks will work with EV charging solution providers and retailers as applicable to develop the technical specifications and customer offer during 2022.

# Tariff Trial – Flexible Demand Large Business

18 February 2022

SA Power Networks is proposing to trial a new network tariff from 1 July 2022 to incentivise large businesses to be flexible with their demand and increase utilisation of the distribution network.

## Objectives of the trial

Rewarding flexible demand on the distribution network increases its utilisation and decreases the need for augmentation.

The proposed tariff trial **Flexible Demand Large Business** aims to incentivise large businesses who can be flexible with their demand. If demand can be flexible a large business will only pay 50% Anytime Demand tariff price on the flexible demand component.

The tariff trial also redefines the Peak Demand window so that utilisation of the distribution network is encouraged except on extreme heat days when the Peak Demand charge still applies.

## Retailer engagement

The tariff trial is only available to large business and as such all network charges are typically directly passed onto the customer by the retailer. Retailers do not need to bundle these charges into a retail offer.

Many of the potential customers using this tariff will be market participants, ie they won't use a retailer, therefore on this basis no direct retailer engagement has taken place at this stage.

When SA Power Networks identifies large business customers who could be flexible in their demand, we will work in conjunction with the customer and their retailer (if applicable) to ensure the tariff trial is incorporated into the customer's retail bill correctly.

## Consumer engagement

SA Power Networks has consulted with a number of key external stakeholders in the development of the Flexible Demand Large Business tariff. This consultation has led to the Flexible Demand Large Business tariff in its current form. External stakeholders include the SA Power Networks' Tariff Working Group as well as large business representatives.

## Proposed tariff (structure and pricing)

The structure of the tariff trial will mimic existing SA Power Networks tariff structures for large business:

- Large Business Annual Demand
- HV Business Annual Demand
- Zone Substation kVA
- Sub-transmission kVA

For the component of anytime demand which the large business elects to be flexible, the Anytime Demand tariff price will be 50% of the published tariff in 2022–23.

For those large businesses who have agreed to be flexible during November to March 5:00pm–9:00pm local time, Peak Demand tariff prices will apply only for days when the forecast for local temperature is 38°C or higher.

Usage remains unchanged.

<b>Forecast revenue</b>	Up to \$4.01 million, equivalent to 0.5% AAR if the trial is fully subscribed at approximately 10 participants
<b>Trial start date</b>	1 July 2022
<b>Duration of trial</b>	1 July 2022 to 30 June 2025. The details of the trial including forecast revenue will be reviewed annually in February.
<b>Notification date</b>	18 February 2022
<b>Location of trial</b>	State-wide

Large business is defined as having annual consumption >160 GWh.

Peak Demand is defined as 5:00pm–9:00pm local time November to March on days when the preceding day's 4pm Bureau of Meteorology forecast for local temperature is 38°C or higher. This is a narrower definition of Peak Demand which is included within SA Power Networks Tariff Structure Statement which states Peak Demand is 5:00pm–9:00pm local time November to March.

Flexible Anytime Demand is defined as a large business who can limit their Anytime Maximum Demand to a lower agreed level when required to by SA Power Networks.

## Potential changes and triggers

SA Power Networks will review the trial outcomes in collaboration with each market participant or retailer annually in February. Any changes would be agreed and submitted to the AER for approval by no later than 28 February.