Jemena Electricity Networks (Vic) Ltd

2026-31 Electricity Distribution Price Review Regulatory Proposal

Attachment 09-02

Tariff Structure Statement - explanatory statement

Jemena
bringing energy to life

Table of contents

Abbreviations

BEL	Basic export level
CER	Consumer energy resources
EV	Electric vehicle
JEN	Jemena Electricity Networks
NER	National Electricity Rules
PV	Photovoltaic
SDIC	Summer demand incentive charge
ToU	Time of Use
TOU	Time-of-use
TSS	Tariff Structure Statement
WDIC	Winter demand incentive charge

Overview

For the 2026-31 regulatory period (next regulatory period), Jemena Electricity Networks (**JEN**) is proposing a Tariff Structure Statement (**TSS**) that incorporates feedback we have heard from our customers during our stakeholder engagement program and builds on the TSS we proposed in our 2021-26 regulatory period (current regulatory period).

In response to a changing network and regulatory environment, JEN is introducing several new tariffs in the next regulatory period.

For residential customers, these changes include:

- A new default Time of Use (**ToU**) tariff with a daytime solar soak component, to encourage customers to use as much electricity as possible in the middle of the day when solar power generation is at its highest, and
- An optional export tariff to encourage customers, especially those with home batteries, to support the network by exporting electricity back to the grid during times of peak network demand.

For large business customers, these changes include:

- A tariff for battery customers, encouraging the use of large batteries, particularly in residential areas, and
- New site-specific tariffs for customers with distinct load profiles for which existing tariffs may not be suitable.

To simplify our tariffs, we also propose to remove two demand tariffs for small customers due to their limited uptake in the current regulatory period, with customers on these tariffs to be moved to the relevant default tariffs for their tariff class and usage.

Based on historical data, we have estimated the network bill impacts of moving to the new ToU tariff in comparison to the bills on single rate tariff. Table OV – 1 below shows illustrative savings for some of the residential customer profiles if they move to the ToU tariff. Most types of customer profiles are better off if they move from the single-rate tariff to the new ToU tariff. We discuss residential customer bill impact analysis for the new ToU and optional export tariff in detail in chapter 8 of this explanatory statement.

Table OV–1: Illustrative annual savings for our residential customers upon moving to daytime saver tariff

Pensioners without solar	Established family without solar	Young family with solar	Life support customers without solar
			
$57-$59 saving	**$138-$144** saving	**$48-$51** saving	**$68-$72** saving

Source: JEN

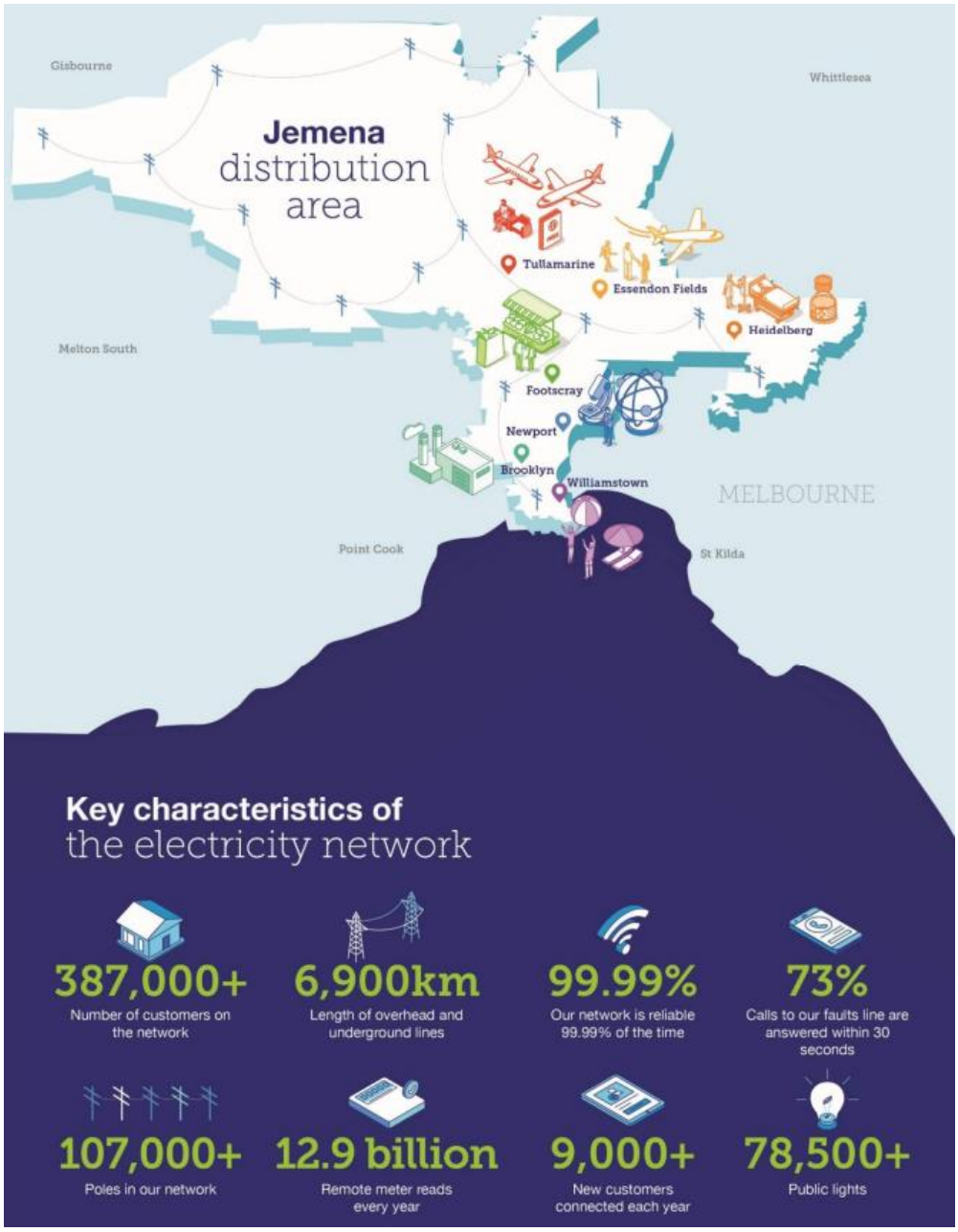
Note: The annual bill saving range is based on actual consumption and assumes shifting 5% consumption from peak hours to solar soak hours using the financial year 2026-27 indicative prices

1. Introduction

1.1 About Jemena Electricity Networks

JEN is one of five electricity distributors in Victoria alongside AusNet Services, CitiPower, Powercor and United Energy. JEN is the sole distributor of electricity in northwest greater Melbourne, servicing more than 387,000 households and businesses. We build and manage the infrastructure that transports electricity across a 950 square kilometre area and provide energy to support businesses and critical infrastructure.

Figure 1-1: JEN's distribution network



Source: JEN

The distribution area we manage covers a mix of industrial, commercial and residential customers, including established inner suburbs, some major transport routes and Melbourne Airport. Our total distribution area covers approximately 12% of the Victorian population. JEN's distribution network map and key characteristics of our electricity network are shown in Figure 1-1 above.

The costs of distributing energy across our network are paid for through our customers' electricity bills. Our distribution network and metering charges typically account for around 35%% of customers' total electricity bills.

1.2 About this TSS explanatory statement

Our **TSS** explains our proposed tariff structures that will apply from 1 July 2026 to 30 June 2031. Our TSS is a component of JEN's broader initial regulatory proposal submitted to the Australian Energy Regulator (**AER**) on 31 January 2025.

The National Electricity Rules (**NER**) set out the formal requirements that our TSS must meet. The NER specify that JEN's TSS must comply with the pricing principles for direct control services[1] and must be accompanied by an indicative pricing schedule[2]. The network pricing objective[3] requires that the tariffs that we charge to provide our direct control services should reflect the efficient costs of providing those services to our customers.

The TSS demonstrates how JEN's distribution network tariffs for the next regulatory period will comply with the NER and the AER's Export Tariff Guidelines[4], which we are required to respond to in this regulatory proposal to give the market certainty around JEN's plans for export tariffs. This explanatory statement provides more detail on how we have designed our tariff structures for the next regulatory period, including analysis, strategy, and customer and stakeholder engagement.

1 NER, cl. 6.8.2(d2).

2 NER, cl. 6.8.2(d1).

3 NER, cl. 6.18.5(a).

4 AER, Export Tariff Guidelines, May 2022.

2. Recent market changes

The accelerated pace of the energy transition presents both opportunities and uncertainties for JEN and our stakeholders. We are seeing an increase in the number of rooftop solar systems, more batteries, and increased electric vehicles. There is growing interest in communal energy solutions like shared solar installations, virtual power plants, and community batteries. These consumer energy resources (**CER**) are now more accessible than ever to consumers, which is significantly changing the way we operate our network.

2.1 Consumer Energy Resources

CER are behind-the-meter resources and technologies that consumers can use in their homes or businesses to manage, generate, and/or store energy. Some common examples of CER include electric vehicles, rooftop solar systems and home batteries.

CER adoption has gained momentum in recent years as consumers increasingly seek to control their energy use to lower their energy costs and reduce their environmental impact. As of 30 June 2024, approximately one in five households on our network has installed rooftop solar photovoltaic systems. However, increased CER adoption introduces new challenges for managing our network.

- **Electric vehicles (EVs):** EVs have gained significant popularity worldwide and comprised nearly 10% of light vehicle sales in Australia and in Victoria in 2024[5]. As the rate of vehicle electrification increases, demand for EV charging will require network and non-network solutions, such as tariffs. JEN is expecting to have approximately 180,000 EVs connected to the network by the end of financial year (**FY**) 2031[6].
- **Rooftop solar photovoltaic (PV) systems:** solar PV systems offer numerous benefits but also pose challenges to grid stability. Excessive solar generation in the middle of the day can reduce network stability and even cause blackouts, as discussed in *JEN - Att 03-03 CER integration and export limit*. Under JEN's neutral scenario, rooftop solar capacity will increase from 500 MW in 2025 to nearly 800 MW (or 29% penetration) by the end of the next regulatory period[7].
- **Home and community batteries:** these devices can store electricity during periods of excess supply. They can deliver network benefits by improving network resilience when they are used to export electricity during peak demand times or store electricity during times when excess solar exports might affect the stability of the grid. However, if batteries are used at times that are not favourable for the network, such as charging during peak times, they can put strain on the network. Battery storage capacity in the JEN network will increase to approximately 150 MWh by the end of FY 2031[8].

Tariffs can help play a role in addressing these challenges, encouraging better network utilisation by incentivising consumption at off-peak times.

2.2 An increase in electricity consumption

We are expecting electricity consumption on the JEN network to double by the end of the next regulatory period.[9] As discussed in chapter 3 of JEN's 2026-31 Proposal, this will be driven by multiple factors, including increased uptake of EVs as mentioned above. The Victorian Government's gas substitution roadmap also outlines a pathway to transition away from residential gas connections, which will mean that more of Victorian customers' energy needs will be met with electricity.

5 Electric Vehicle Council, *State of Electric Vehicles 2024.*

6 *JEN initial proposal, Chapter 3 – The energy transition.*

7 Ibid.

8 Ibid.

9 *JEN – Att 05-02 Energy forecasts report.*

JEN has seen an unexpected increase in the number of data centres in our network in the current regulatory period, and we will see more connecting in the next regulatory period. These customers are expected to have high electricity consumption and high connection needs, as discussed in chapter 5 of JEN's 2026-31 Proposal.

Increased electricity consumption increases the importance of tariffs as a tool for sending price signals to our customers about when the network should be used.

3. Our customer engagement

Before commencing our engagement on tariffs, we surveyed retailers and consulted with small businesses and customers to understand their key priorities. We then completed approximately 80 hours of engagement with a wide range of customers and other stakeholders. We also held three joint tariff engagement forums with the other Victorian electricity distribution network service providers (**DNSPs**) involving customer advocacy groups, retailers, industry experts, and representatives from the AER and the Victorian government to develop our pricing principles and workshop our proposed future tariff structures and seek feedback.

JEN believes that tariff design should be customer-centric and our stakeholder groups echoed this view. We also recognise the vital role that retailers play and the importance of aligning tariff structures across Victorian distribution network service providers. Our TSS aims to balance the views of our diverse groups of stakeholders and customers with our business needs.

3.1 Objectives

When establishing or changing tariffs, we abide by the requirements set out in the NER and consider customer and stakeholder groups for further guidance on priorities for the period. We consulted on the pricing principles together with other Victorian distribution network service providers through our joint tariff engagement forums. Table 3–1 below displays the pricing principles that we have adopted to guide us in developing our tariff structures for the next regulatory period and how these principles align with the NER requirements.

Table 3–1: Pricing principles identified through our engagement

Principle	How the principle should be used	Alignment with pricing principles in the NER
Simple	Network tariffs should be simple, consistent and readily understood by retailers, customers and stakeholders.	NER clause 6.18.5(i) states that customers must be reasonably capable of understanding the tariff structures.
Efficient	Network tariffs should incentivise customer behaviours that make network costs more affordable and equitable in the long term.	NER clause 6.18.5(a) (the network pricing objective).[10] NER clause 6.18.5(e)-(g) states that compliance with these pricing principles is consistent with providing efficient price signals.[11]
Adaptable	Network tariffs should be capable of being evolved for future network configurations and emerging technologies, consistent with a net-zero future.	This pricing principle is not specifically linked to the principles in the NER but is consistent with promoting efficient outcomes. Well-designed tariffs, when responded to by customers, may encourage the use of new technologies and network utilisation to lower consumption costs over time.

Source: Joint Victorian DNSP tariffs consultation[12]

The above pricing principles were broadly supported by the stakeholders in the joint Vic DB forums.[13] Most participants agreed that the principles were clear and easy to understand, they worked well together as a set of three, and they would most likely be supported by JEN's customers. One participant raised concerns that customers would not understand these principles as easily as the stakeholders present in the forum, leading JEN to consult on the principles with our customers again during later customer engagement sessions.

10 The network pricing objective is 'that the tariffs that a DNSP charges in respect of its provision of direct control services to a retail customer should reflect the DNSP's efficient costs of providing those services to the retail customer. See NER cl. 6.18.5(a).

11 This ensures promotion of the national electricity objective in promoting efficient investment and use of electricity network for the long term interests of consumers.

12 *JEN - BD Infrastructure Att 02-13 - Joint VICDB engagement - Tariffs outcomes report 2 - 2023*

13 Ibid.

3.2 Customer preferences

Our Customer Voice Groups and People's Panel endorsed the above pricing principles. During our discussions with these residential customer groups, two other customer priorities became clear to us:

1. **Fairness and equity –** While "equity" was considered as part of the "efficient" principle by our stakeholder groups, it arose repeatedly as a vital and stand-alone consideration for our customers. Customers find the NER requirement of cost-reflective pricing compelling but have particular concerns for people experiencing vulnerability and customers with rooftop solar who are facing higher bills due to the wind-down of high feed-in tariffs and the possible introduction of export tariffs.
2. **Education –** Customers appreciated learning more about Jemena and our current tariff structures. They believe that if all customers were more educated about pricing and the need for behavioural change, customer behaviour would be more likely to change, either to support the network or in response to price signals.

These customer concerns were captured by the results from the People's Panel recommendations[14] on tariffs:

> *"Implement a tariff structure that is fair for different types of consumers e.g. solar (with or without battery) vs non solar. Tariff structure to be as follows to make it fair based on your usage and supply capability.*
>
> *Consumption Charges: (applies to everyone)*
>
> - *Supply Charge - 3 tiers of supply charge based on how much you use during the day, e.g. low,*
> - *medium, high consumption*
> - *Consumption Rate - 3 tariffs of consumption, Off-Peak, Solar Soak, Peak*
>
> *Feed In Credit (reward for feeding in solar):*
>
> - *Daytime solar soak reduced Credits*
> - *Nighttime peak time higher feed-in Credit (benefits battery owners)*
>
> *Export Tariff: opt-in charge for users to export to the grid, this gives access to higher feed-in credits."*

On education:

> *"Provide customers with tailored information to guide their decisions about energy usage and investments to reduce their costs and use renewable energy, for example:*
>
> - *How time-of-use tariffs affect bills, and strategies to benefit from this*
> - *Benefits of investing in rooftop solar, batteries, and EVs*
> - *Impact of appliances on bills and sustainability*
> - *Ensure information is easy to access, understood by all customers, relevant and practical.*
>
> *Particularly important to communicate through diverse channels and media to reach customers with different abilities."*

The above recommendations have led directly to the tariff structures we present in our proposal. We discuss our customer engagement and the insights derived from our specific customer groups in more detail in sections 5 Residential customers, 7 Small and medium business customers, and 8 Large business customers.

[14] *JEN – Att 02-19 People's Panel recommendations – 20240420*

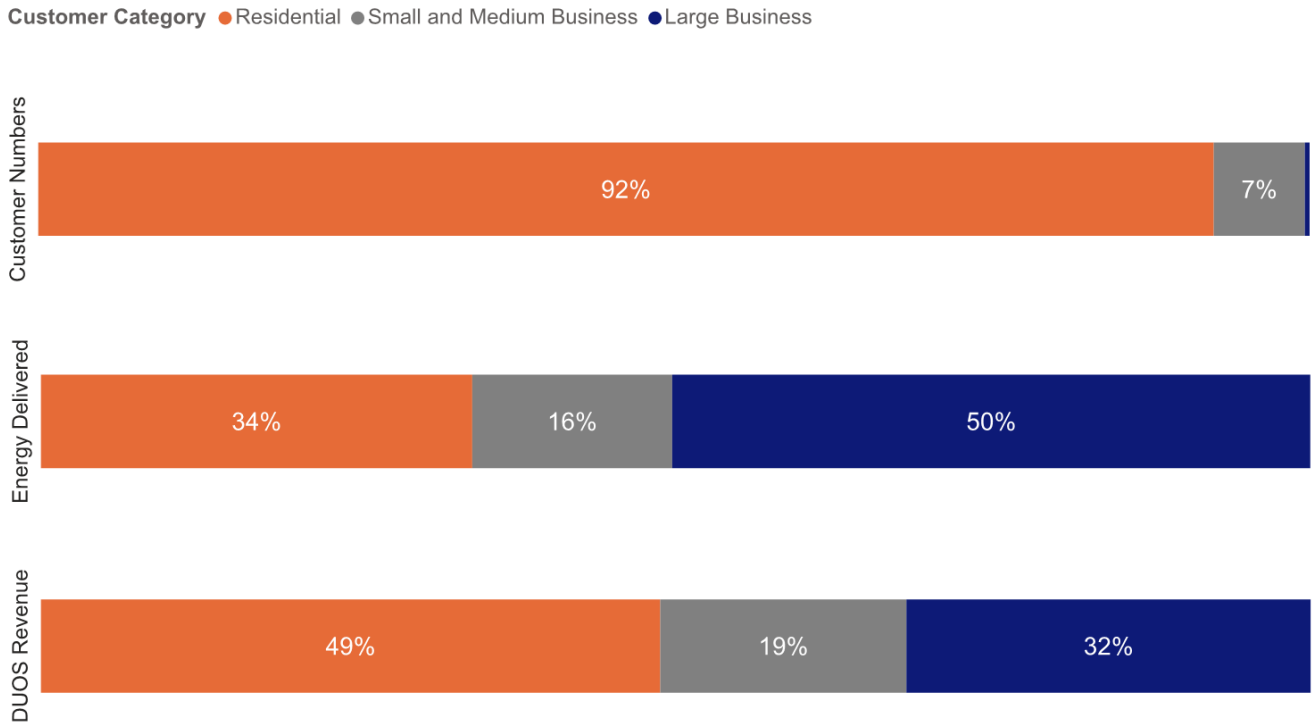
4. Our customers and our network

This section provides a range of background and contextual information regarding JEN's customers. The information and trends in this section have been critical in informing our TSS and proposed changes for the next regulatory period.

4.1 How do our customers use the network?

Figure 4-1 outlines the proportions of JEN's customer numbers, energy delivered and Distribution Use of System[15] (**DUoS**) revenue for the 2024 financial year by customer segment. The vast majority (92%) of our customers are residential customers, with the remaining 8% of customers spread across our small and medium business and large business tariff classes.

Figure 4-1: JEN customer numbers, energy and DUoS revenue by customer type



Source: JEN

Residential customers on the network collectively consume about 42% of the total energy delivered through the network while contributing half of DuoS revenue. Small and medium businesses consume 16% of the total energy delivered while contributing 19% of total DUoS revenue. And although large business customers constitute only 1% of total customers in JEN's network, they consume half the energy delivered through our network and makeup nearly a third of the DUoS revenue.

This distribution of customer numbers, energy delivered and revenue has been relatively consistent from FY 2019 to FY 2024. The proportionally higher revenue recovery from residential, small and medium business and low voltage customers is due to the cost to serve low voltage customers being greater than that to serve higher voltage customers, due to the additional infrastructure required. Energy delivered is not the primary factor in our efficient costs and therefore is not the main driver of our revenue recovery allocation.

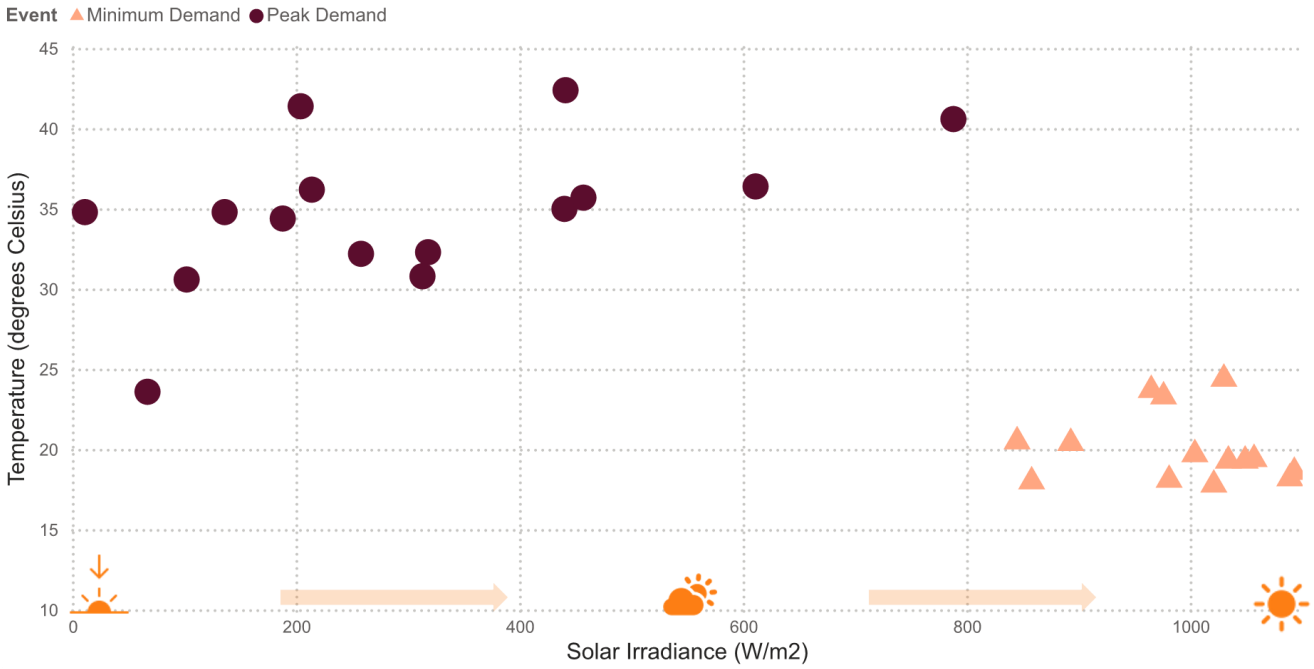
4.2 What is driving investment in our network?

All electricity networks experience maximum and minimum demand events. These events drive investment in JEN's network, as we need to ensure that we have sufficient capacity to meet customer demand during peak

[15] DUoS revenue is the revenue collected from customers for JEN's allowable costs.

events, while also ensuring that our network remains stable against minimum demand during periods of high solar PV generation and export. Figure 4-2 below presents JEN's maximum and minimum demand events over the past five years against the corresponding temperature and average solar irradiance[16] recorded on those days.

Figure 4-2: JEN's maximum and minimum demand events by temperature and solar irradiance



Source: JEN

Figure 4-2 illustrates that JEN's minimum demand events typically occur on days with high solar irradiance and mild temperatures (generally in spring and autumn) due to a lower need for air conditioning, with solar customers exporting more excess electricity.

In contrast, JEN's maximum demand events tend to occur on days with very high temperatures (typically greater than 30 degrees Celsius) and lower solar irradiance (less than 400 W/m²). Air conditioning load drives customer demand on these days. Peak demand events usually occur after 4 pm when temperatures are high and most households turn on their air conditioners for relief from the heat.

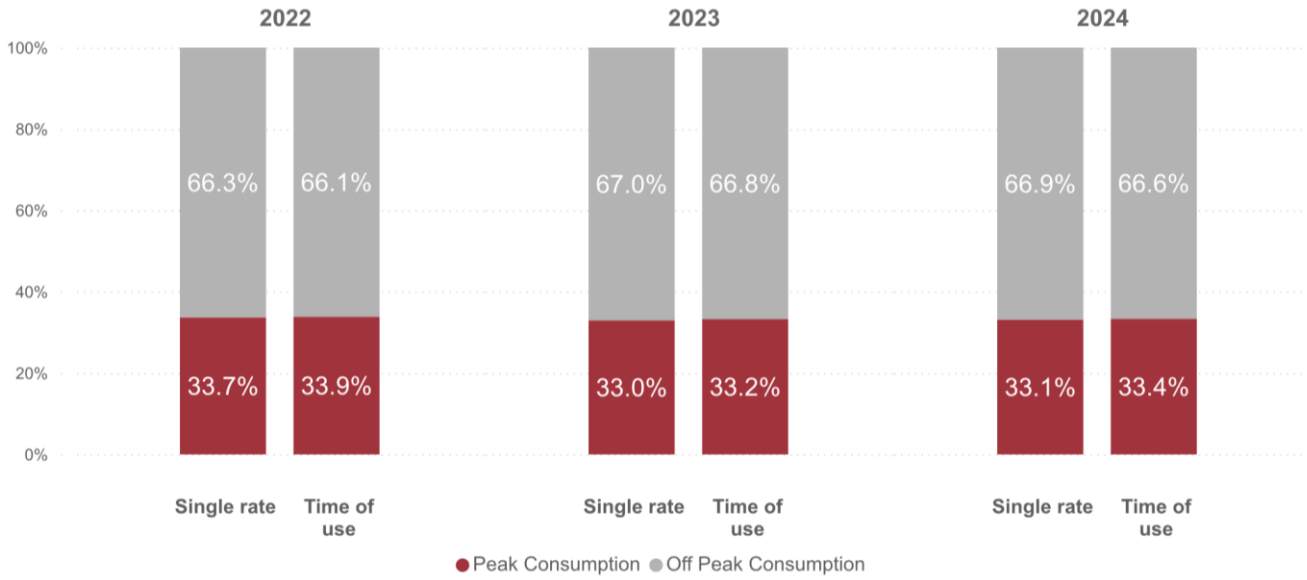
This analysis highlights the need for pricing signals that will lead to decreased demand during peak demand times and increased energy consumption during times of peak solar export, to address maximum and minimum demand issues and incentivise flattening the usage profile.

4.3 Have our residential customers been responding to existing ToU tariffs?

JEN and other Victorian DNSPs introduced a ToU tariff as the default tariff for residential customers in the current regulatory period. Figure 4-3 below shows the proportion of total annual consumption by single-rate and ToU customers between peak hours (3 pm – 9 pm in the current regulatory period) and off-peak hours. The ToU customers have consistently consumed about a third of their electricity during peak hours since the tariff was introduced in FY 2022 which is almost identical to the consumption behaviour of single-rate customers. This demonstrates that, on average, there has been no significant consumption response to residential ToU pricing signals.

[16] Solar irradiance is a metric of how much energy is received from the sun over a particular area, measured in watts per square meter (W/m²). The higher the irradiance, the more energy is available to be converted into electricity by solar pholtovoltaic cells.

Figure 4-3 Proportion of peak and off-peak hours consumption by financial year and tariff



Source: JEN

5. Residential customers

This section of our explanatory statement outlines our residential customer tariffs in the current regulatory period, our proposed changes for the next regulatory period and the analysis we have undertaken to meet our regulatory obligations, fulfil the needs of our business and our customers, and provide stronger pricing signals to residential customers.

5.1 Our current tariff structures

The primary tariffs we offer to our residential customers in the current regulatory period are outlined in Table 5–1.

Table 5–1: Residential customer primary tariff structures – 2021-26

Tariff	Details
Single rate	Includes: • Fixed charge ($/annum) • Single-rate consumption charge (c/kWh) Consumption charge is the same at all times of day.
Time of Use (**ToU**)	Includes: • Fixed charge ($/annum) • Peak consumption charge (c/kWh) • Off-peak consumption charge (c/kWh) Consumption charge varies depending on the time of day, with higher peak period (3 pm to 9 pm) charges and lower off-peak period (all other times) charges.
Demand	Includes: • Fixed charge ($/annum) • Single-rate consumption charge (c/kWh) • Demand ($/kW) Consumption charge is the same at all times of day. However, the demand charge is levied based on the customer's maximum demand during the peak period (3 pm to 9 pm).

Under a single-rate tariff structure, the only way to reduce an electricity bill is to use less energy in aggregate. Customers are not rewarded for shifting energy to off-peak periods. Our current default residential ToU tariff incentivises customers to lower their energy bills by shifting consumption from the peak period (3 pm – 9 pm) to the off-peak period (all other times). It is more reflective of network costs than the single-rate tariff.

All new and upgrading smart meter-enabled customers are automatically placed on the default ToU tariff. Most customers can opt out of the ToU tariff and move to our residential single-rate tariff. The number of residential customers on our default ToU tariff is increasing, from 6% of total residential customers in 2021-22 to 19% in 2023-24.

The demand tariff has seen a very low uptake, with only 160 customers in total.

5.2 Our proposed tariff structures

The tariffs we are proposing to offer to our residential customers in the next regulatory period are outlined in Table 5–2.

Table 5–2: Residential customer primary tariffs – next regulatory period

Tariff	Details
Single-rate	Includes: • Fixed charge ($/annum) • Single-rate consumption charge (c/kWh) Consumption charge is the same no matter the time of day.
Daytime saver (ToU)	Includes: • Fixed charge ($/annum) • Peak consumption charge (c/kWh) • Off-peak consumption charge (c/kWh) • Solar soak consumption charge (c/kWh) Consumption charge varies depending on the time of day, with higher peak period charges (4 pm – 9 pm), lower off-peak charges and further discounted charges when solar generation is at its maximum (11 am – 4 pm).
Export	Includes: • Fixed charge ($/annum) • Peak consumption charge (c/kWh) • Off-peak consumption charge (c/kWh) • Solar soak consumption charge (c/kWh) • Solar soak period export charge (c/kWh) • Peak period export charge (c/kWh) This tariff is the same as our ToU tariff but also has export rewards and penalties.

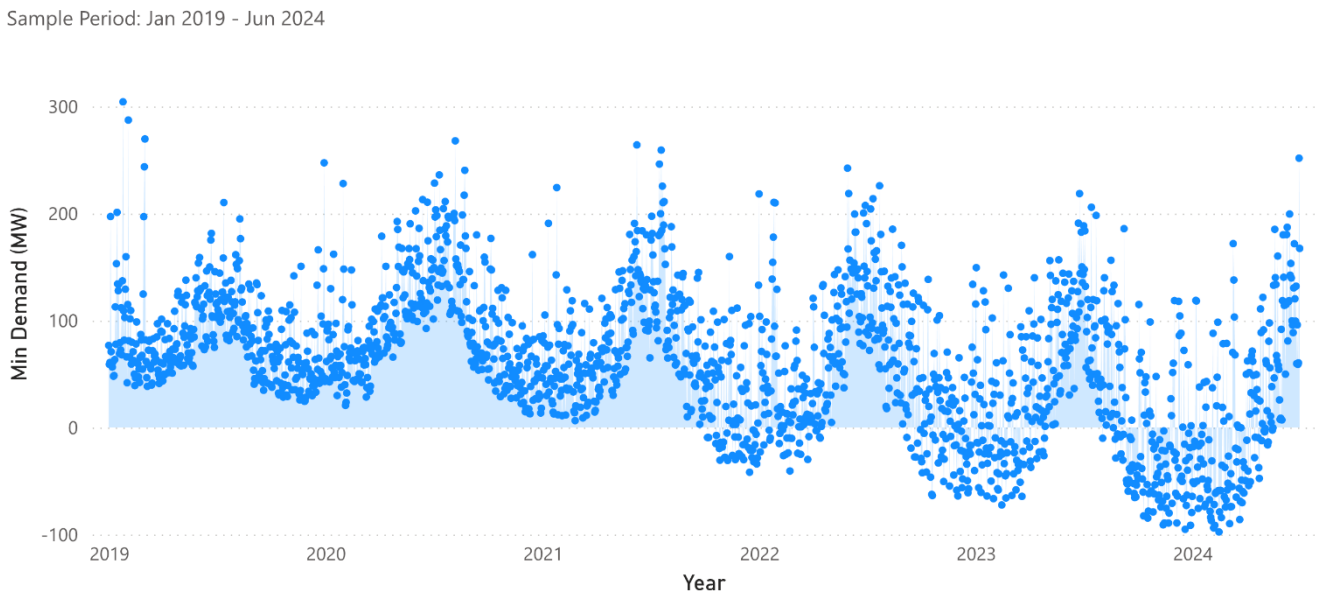
Below, we discuss our reasons for introducing the new default daytime saver ToU tariff. All current ToU customers will be migrated to this new tariff in the next regulatory period.

5.3 Supporting analysis

As highlighted in Section 2, rooftop solar penetration is increasing and is expected to contribute to network instability as more customers export their excess energy in the middle of the day, reducing the total network load below the minimum level required. Minimum demand for JEN's residential customers has been reducing over the last five years despite growth in our residential customer base.

Figure 5-1 below illustrates that each year has seen a reduction in daily minimum demand for all residential customers. In October 2021, the residential customers on our network collectively had a net negative demand for the first time. Since then, occurrences of net negative demand from residential customers have increased considerably. Along with increased negative demand event frequency for residential customers, the minimum demand itself is reaching lower levels over time.

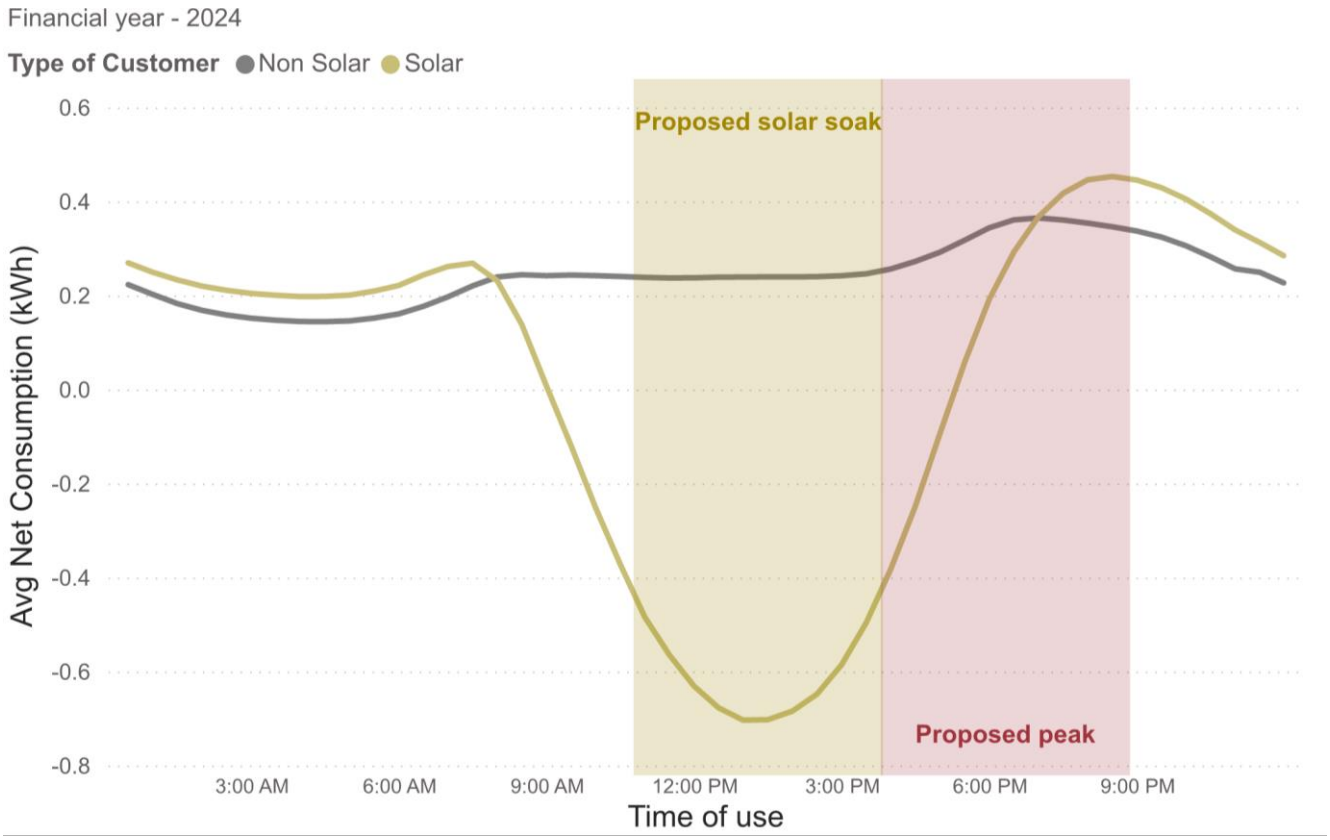
Figure 5-1: JEN residential daily minimum demand from 2018-19 to 2023-24 (MW)



Source: JEN

Figure 5-2 below shows the average consumption profiles for residential customers with and without solar exports. It demonstrates the time windows in minimum demand events due to high solar exports. On these days, solar customers reached negative net consumption levels before 9 am and did not return to positive consumption until 4 pm. They then made an out-sized contribution to peak demand during the evening peak period and exacerbated the peak demand issue during that time.

Figure 5-2: Average daily net electricity consumption of JEN's residential customers[17]



Source: JEN

The number of customers installing solar PV systems has increased by 2.65 times over the last five years. We expect an even greater increase in solar uptake over the next decade, which could exacerbate minimum demand and network stability issues in the middle of the day due to excess solar exports. We are therefore proposing two new residential tariffs to provide incentives to customers to consume more energy during the middle of the day to absorb the solar exports, and also to minimise solar exports during times when they are not required.

5.3.1 Daytime saver tariff

We want to incentivise customers, with or without solar, to use more energy generated in the middle of the day. This will help to address grid stability issues that are caused by excess solar exports during this window. A tariff change could enable all customers to benefit from the energy generated by customers with solar PV. We propose to replace our existing ToU tariff (A120 – Residential ToU) by introducing a "solar soak" period in the middle of the day (11 am to 4 pm) and adding it to the existing ToU structure.

This solar soak period would operate as a "super off-peak" period, with cheaper pricing than the off-peak window to further encourage consumption during the solar soak window. In this way, our new tariff (A130 – Daytime saver ToU) would act as a demand management tool by increasing network utilisation and reducing the magnitude of solar users' and all residential customers' "duck curves".[18]

We held a series of joint Victorian distributor engagement forums to seek feedback on this new tariff structure. Based on this stakeholder feedback, we are proposing the solar soak and peak period windows shown in Figure 5-3 below. Stakeholders, including the Victorian Department of Energy, Environment and Climate Action (**DEECA**) and retailers, strongly supported maintaining consistency in time-of-use windows across the state. Therefore, our proposed approach remains consistent with all other Victorian distributors and these windows will apply to all customers in Victoria on a daytime saver tariff. In response to feedback from our stakeholders, the peak period

[17] Net electricity consumption = Consumption – Exports.

[18] A "duck curve" describes the shape of a 24-hour electricity consumption chart where consumption drops steeply in the middle of the day and rises to its highest point in the evening, similar to the "Solar" curve in Figure 5-2. This curve is typical of networks with high levels of penetration of customer exports.

window for residential customers will also be reduced from six hours per day (3 pm to 9 pm) to five hours per day (4 pm to 9 pm), giving customers a longer period to take advantage of cheaper solar soak pricing.

Figure 5-3: Current and proposed residential ToU tariff structure and timing

Source: JEN

Daytime Saver assignment policy

We propose moving:

- all residential customers on our existing ToU tariff (A120) and
- all residential customers on our existing demand tariff (A10D)

to our new daytime saver ToU tariff. Further details of the proposed removal of A10D are discussed in section 5.3.3 below.

We are proposing that our A130 daytime saver tariff replace the current A120 – residential ToU as JEN's default residential tariff for all new and upgrading smart meter-enabled customers. Following strong representations from the Victorian Government[19], all customers except customers with a dedicated EV charger will continue to be able to opt out of JEN's new A130 daytime saver tariff to the A100 – residential single-rate tariff.

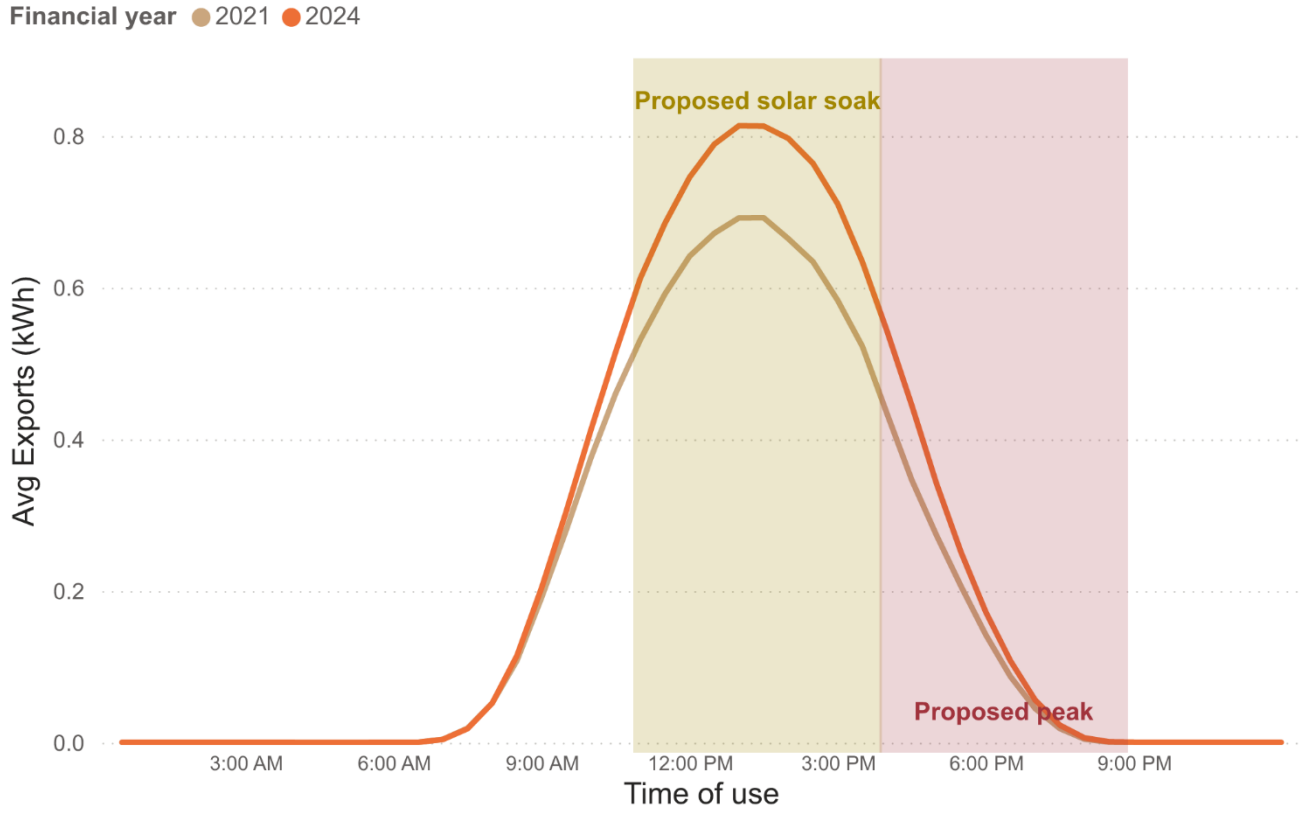
More details of JEN's tariff assignment policies can be found in Appendix B.

Our peak and solar soak periods reflect the periods of maximum and minimum demand on the network

As of 30 June 2024, approximately one in five JEN residential customers has installed solar PV. Figure 5-4 below shows that average exports per customer have increased over time, indicating larger solar panel installations, and that 77% of exports from residential customers occur between 11 am and 4 pm.

[19] *JEN - DEECA - 09-05 ToU proposal for the 2026-31 TSS - 20240513*

Figure 5-4: Average exports by residential customers



Source: JEN

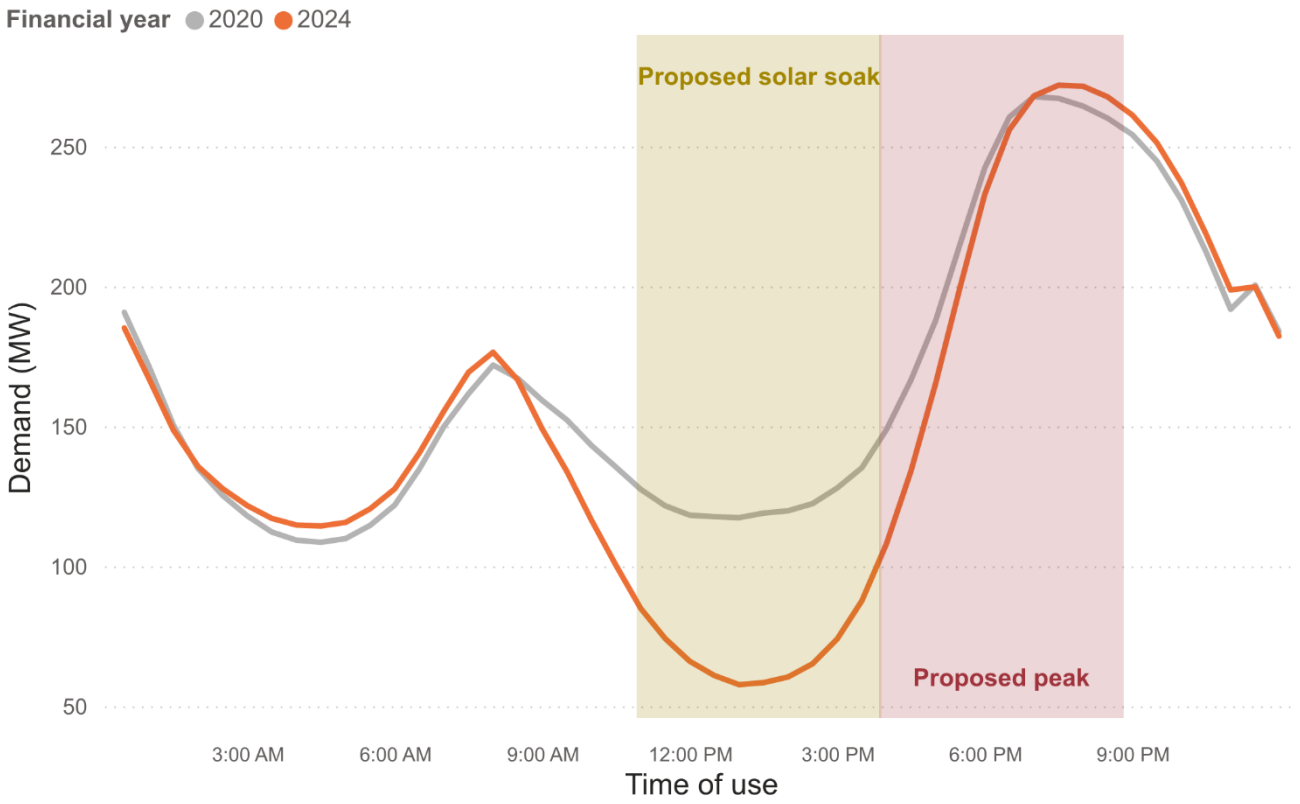
Figure 5-5 below shows the annual average half-hourly net demand in FY 2020 and FY 2024. The net demand during day time has reduced significantly from 2020 to 2024. The onset of the evening peak period is earlier and extends later into the evening. Figure 5-6 below shows that the highest frequency of peak events in zone substations across Victoria is from 4 pm – 8 pm, but this includes commercial load as well as residential load. The joint Victorian distributors originally proposed moving the peak window from the current period peak of 3 pm – 9 pm to 4 pm – 10 pm to allow a longer solar soak period and avoid finishing the peak window too early. Stakeholder feedback was that 10 pm would be too late to finish, as many customers could not shift appliance usage past 10 pm[20]:

> *Why does the peak period finish at 10 pm? Does it need to be 6 hrs?*
>
> *The peak should be no later than 9 pm.*
>
> *Shifting the peak from 3-9 to 4-10 makes sense from a load profile perspective, but I expect a fair bit of pushback from customers because a 10 pm finish would be considered too late by many to enable loads to be shifted after the peak period. A lot of customers do not have appliances with timers (or know how to operate the timers if they do).*

9 pm was chosen as the ending time for the peak period as a price incentive to start using electricity at 8 pm could simply cause the evening peak to extend. Stakeholders supported the proposed solar soak and peak periods.

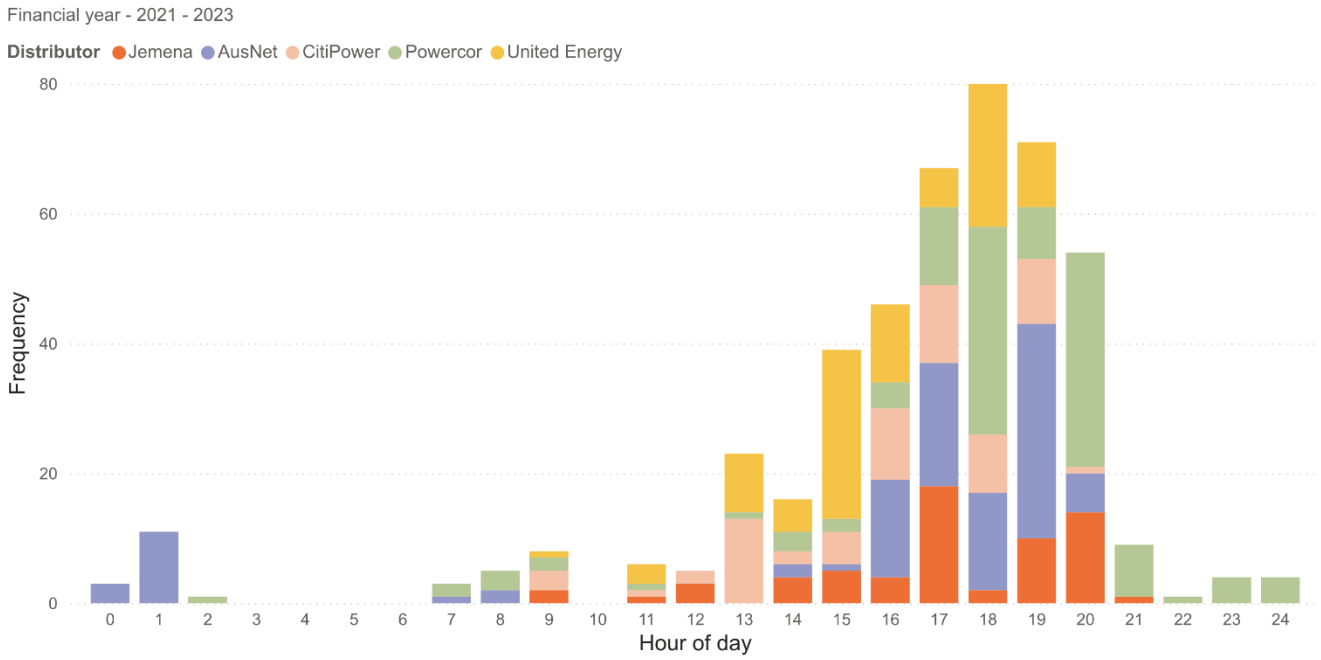
[20] *JEN - BD Infrastructure Att 02-13 - Joint VICDB engagement - Tariffs outcomes report 2 - 2023*

Figure 5-5: Annual average net demand profile for residential customers



Source: JEN

Figure 5-6: Zone substation frequency of maximum demand by the hour of day

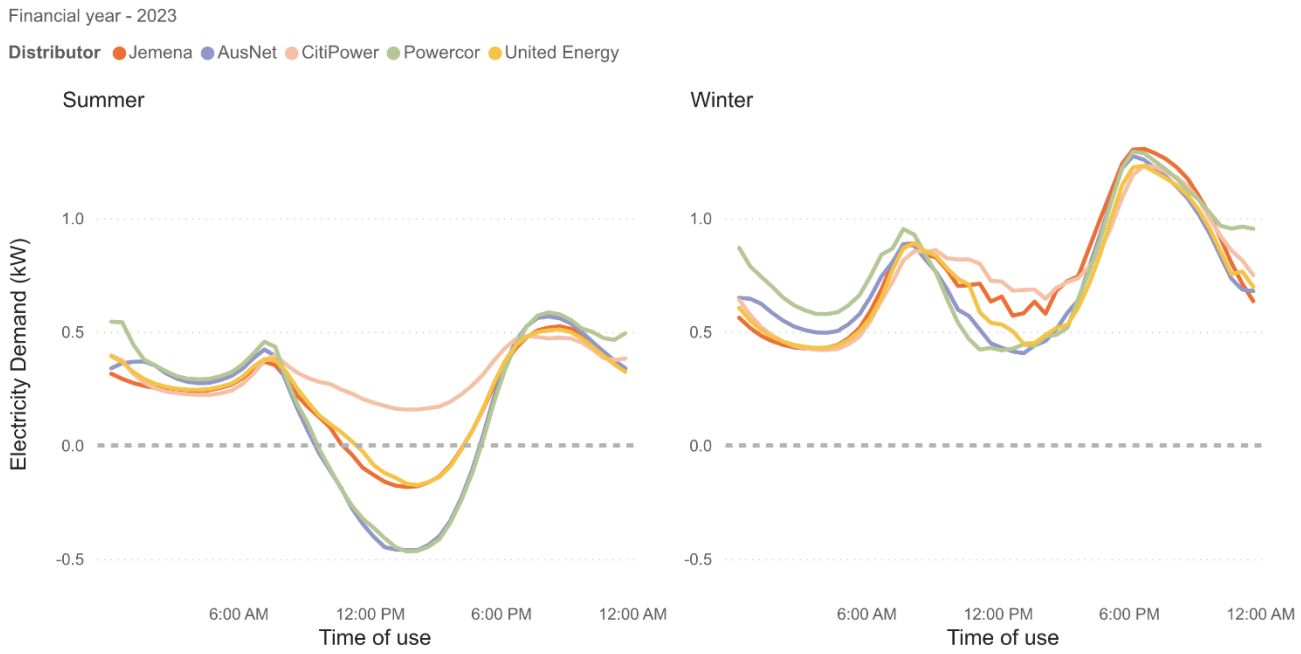


Source: Joint Victorian DNSP tariffs consultation[21]

21 *JEN - BD Infrastructure Att 02-13 - Joint VICDB engagement - Tariffs outcomes report 2 - 2023*

Figure 5-7 shows the minimum demand day in summer and winter across all Victorian electricity distribution networks. The average net demand for residential customers for most distribution businesses shown is negative from 11 am - 4 pm on the minimum demand day in summer. This implies that residential customers as a whole are net exporting to their respective networks on a minimum demand day.

Figure 5-7: Minimum net demand day for residential customers across Victoria

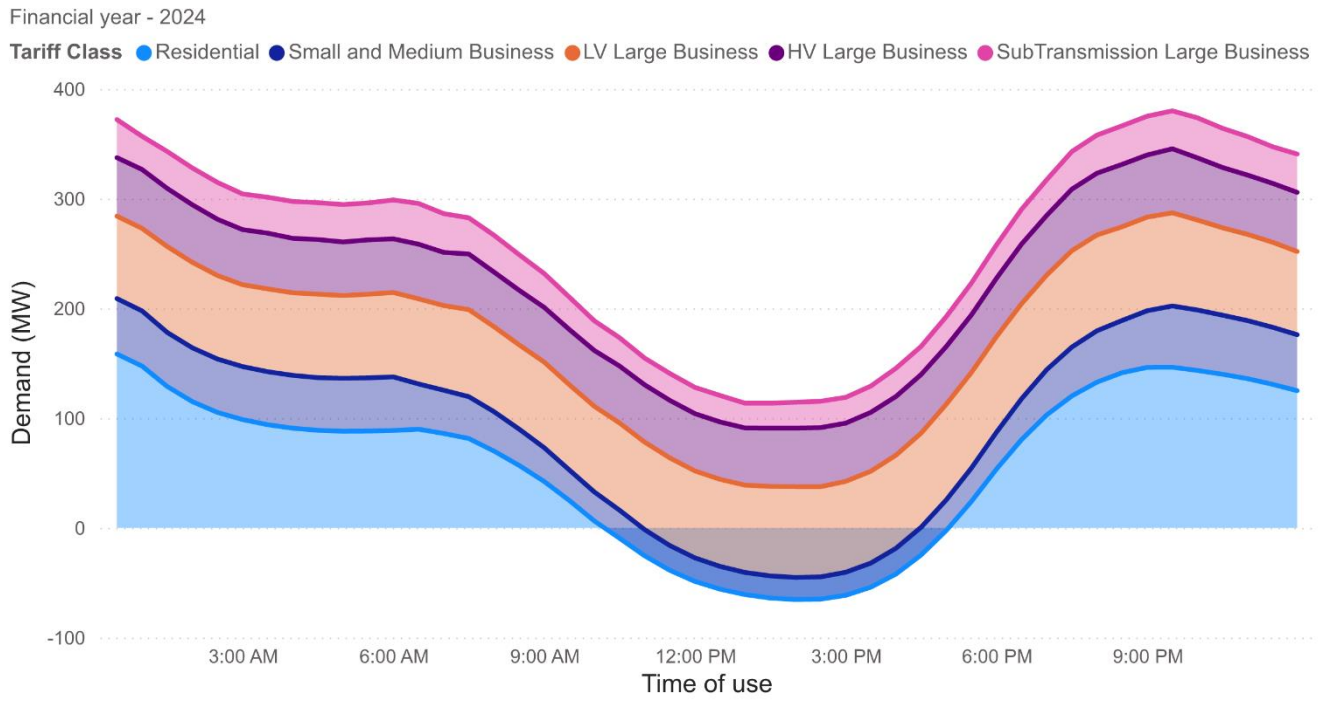


Source: Joint Victorian DNSP tariffs consultation[22]

Figure 5-8 shows the demand profile for all customer categories on the FY 2024 minimum demand day for JEN. During the hours of peak solar exports, residential customers collectively are net exporting into the network. It is due to other tariff classes that the net demand across the network is still positive.

[22] *JEN - BD Infrastructure Att 02-13 - Joint VICDB engagement - Tariffs outcomes report 2 - 2023*

Figure 5-8: Minimum demand day load profile for JEN, 2024



Source: JEN

To increase electricity consumption during the times of peak solar exports, we are proposing to introduce a new solar soak period delivering cheaper electricity from 11 am – 4 pm. This will be the cheapest period of the day for residential customers to consume electricity, reflecting the network's need for increased consumption to maintain stability in these hours. A peak period of 4 pm – 9 pm will continue to disincentivise electricity consumption during the period of evening peak demand by maintaining higher prices when network usage is at its maximum. An off-peak period, from 9 pm to 11 am, will offer relatively cheap pricing and allow those customers who can not benefit from the solar soak period to shift their usage outside of the peak period. This new ToU structure is intended to provide residential customers with a sharper price signal, while enabling them to save on their electricity bills by shifting their consumption to times when it is beneficial for the network.

We are aware of the additional demand an increasing number of EVs could place on the network if charging simultaneously. Our view is that residential EV customers behaving rationally will charge their vehicles outside of the peak period, and this has been reflected by analysis of known EV customers who, when scheduling their charging, mostly choose to charge during times when their solar generation is the highest or when off-peak tariffs are active[23]. The introduction of a solar soak period would provide a further incentive to customers to charge their EVs at lower prices, especially on weekends. Further, similar to the current regulatory period, we will continue to make the time-of-use tariff cheaper than the single rate tariff to incentivise customers to move to this cost-reflective tariff.

5.3.2 Export tariff and the basic export level

As our customers increasingly adopt CER such as rooftop solar and batteries, our network will need upgrades to handle the increased energy exported into the grid. Our proposed export tariff, like the daytime saver ToU tariff, is designed to send pricing signals to customers to indicate when certain behaviours are beneficial or costly to the network, to flatten customers' usage profile. As shown in Figure 5-4 above, the average exports of solar customers are increasing over time.

Our proposed export tariff (A10E – Residential export):

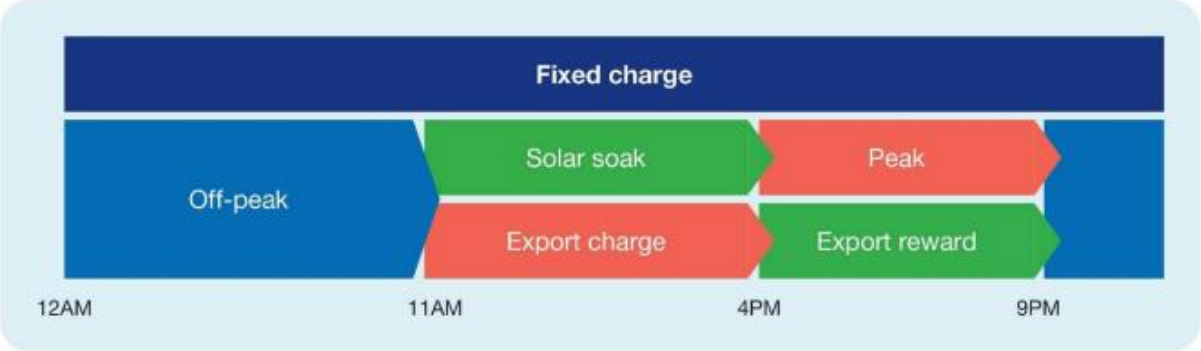
- charges customers for exporting to the network when the network is under constraint (the solar soak period)

[23] *Jemena Dynamic Electric Vehicle Charging Trial Project Final Knowledge Sharing Report April 2023*

- rewards customers when exports benefit the network (i.e., during the peak period) and
- has zero export charges when exports are expected to have no network impact.

Our proposed export tariff will be provided on an opt-in basis in the next regulatory period. The proposed timing and structure are shown in Figure 5-9. The export charge and reward periods will align with the new daytime saver ToU tariff. We propose to set pricing in line with our long-run marginal cost (**LRMC**) with an initial 3 c/kWh export charge, and a 15 c/kWh export reward during peak demand times. Other tariff components will initially be priced in line with the daytime saver ToU. However, JEN will monitor the usage profiles of customers who have chosen this tariff and alter export charge/export reward ratios to incentivise network-supporting behaviours over the next regulatory period, as well as to reduce the risk of cross-subsidies between customers on this tariff and customers on any other.

Figure 5-9: Proposed export tariff structure and timing



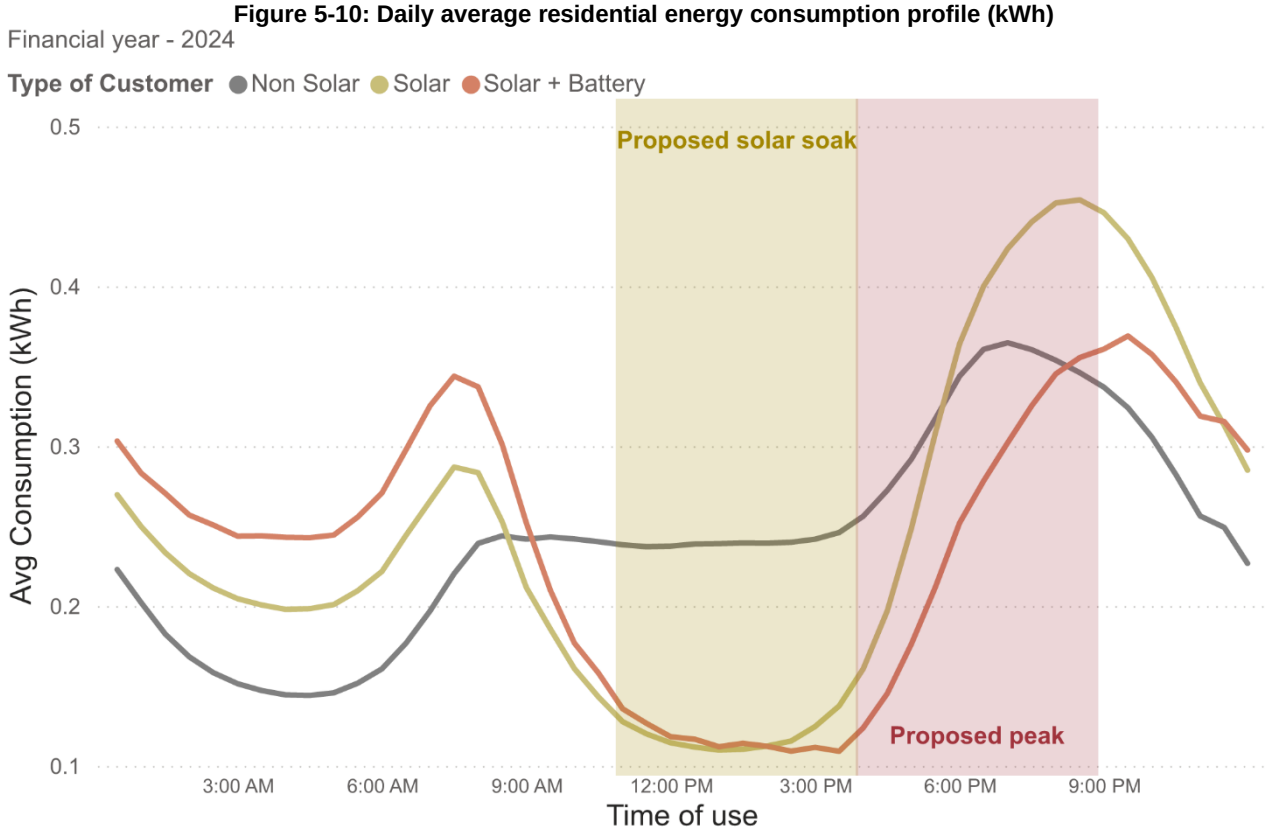
Source: JEN

The proposed export charge is aimed to discourage customers from exporting during the solar soak period (11 am to 4 pm) and encourage self-consumption. Exporting during other periods will be free of charge. The export reward provides a bill credit for exporting during the peak demand period (4 pm to 9 pm). This is similar to how feed-in tariffs work for current solar customers, but only during the peak period when the network needs more electricity. This export tariff may appeal to residential customers who can self-consume or store their solar energy between 11 am and 4 pm and export later in the day during the peak period, e.g., customers with home batteries.

Retailers will continue to be able to offer customers feed-in tariffs at their discretion

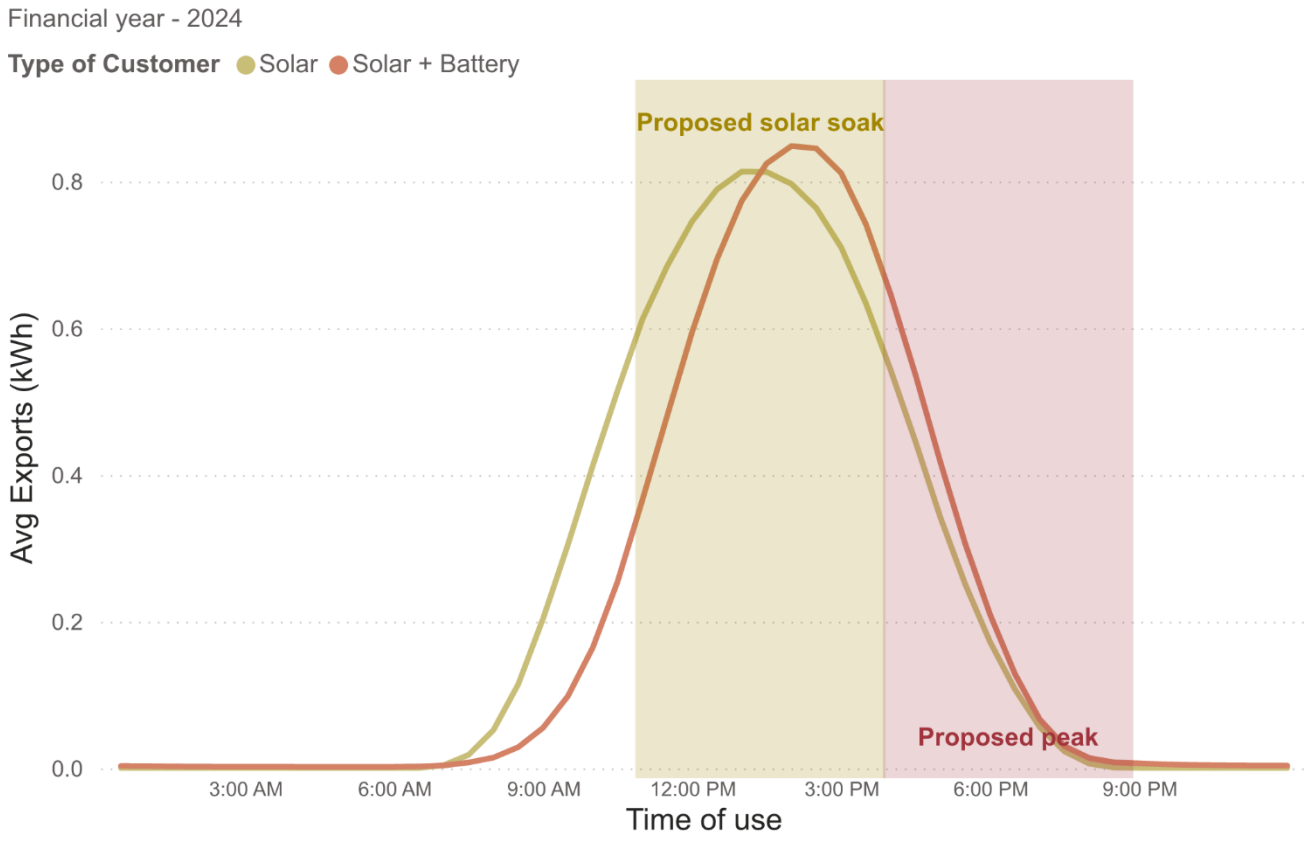
Figure 5-10 demonstrates that the behaviour of battery/solar customers is markedly different from that of solar-only customers. Their patterns of consumption do not contribute to the evening peak as much as solar-only customers. They consume less energy than non-solar customers during the solar soak period, but as highlighted in Figure 5-11, their exports are time-lagged compared to non-battery solar customers. These customers may therefore be able to respond to incentives.

Figure 5-10: Daily average residential energy consumption profile (kWh)



Source: JEN

Figure 5-11: Average exports by time and customer



Source: JEN

Basic export level

A basic export level (**BEL**) is the amount of electricity that a customer will be able to export to the grid at no cost. We are proposing a nominal basic export level of 1 kWh per day for the next regulatory period, which means that customers on the opt-in export tariff will not be charged for exporting below this threshold during the solar soak period of 11 am – 4 pm per day. They will only be charged for exporting above this level. Exports will be unlimited at all other times of day (i.e. during the peak and off-peak periods). In the event laws or regulations are introduced to require JEN to impose zero-capacity exports, across some or all of our customers, the BEL will be set to zero.

5.3.3 Residential demand tariff

Only 160 customers have opted into our residential demand tariff. These customers pay a charge for their monthly maximum demand, along with the daily fixed charge paid by all residential customers. The poor take-up of this tariff is because customers do not understand its mechanics, and few retailers offer it due to its complexity and the difficulties of changing and maintaining retailer billing systems to cater to a very small volume of customers. For these reasons and feedback received from stakeholders, we propose to remove the residential demand tariff in the next regulatory period and move all customers currently on this tariff to our new daytime saver ToU tariff.

5.4 Stakeholder engagement

The stakeholder forums conducted by the joint Victorian distributors primarily focused on building and workshopping these residential tariffs. Stakeholders were broadly supportive of the proposed structure of the daytime saver ToU tariff but they also noted that customer education and consideration of the effects on customers experiencing vulnerability are crucial.

Stakeholders also supported the export tariff, noting that it may appeal both to sophisticated individual customers and retailers or aggregators who wish to combine their customers' electricity exports to offer to the market. They noted that the pricing levels of this tariff would need to be chosen carefully to avoid cross-subsidisation between customers who have opted into this tariff and other residential customers. Retailer discussions have confirmed that they do not view demand tariffs as necessary or useful for small customers, supporting their removal[24].

Our residential customer engagement group supported the two new proposed residential tariffs, after discussion of the consequences and benefits of each[25].

5.4.1 Consistency with pricing principles and NER

We assess our proposed tariffs against our pricing objectives outlined in Table 3–1 and Section 3.2 of this report in the following table:

Table 5–3: Assessing tariffs against pricing principles and customer preferences identified through our engagement

Principle	Daytime saver ToU tariff	Export tariff
Simple	Our customers understand the current period's ToU tariff and this tariff simply includes an additional "discounted off-peak" or "solar soak" component.	This tariff is structured like the ToU tariff plus the export charge components, which can be similarly thought of as peak/off-peak export pricing. We believe the relative complexity of this tariff will be understood by the sophisticated customers most likely to opt in to it.
Efficient	Electricity consumption is less costly to us during solar soak periods but more costly during peak demand periods, and it is	Solar exports during the solar soak period risk being costly to all customers and it is

[24] *JEN - BD Infrastructure Att 02-26 - Victorian Electricity Retailers Survey - 20231023*

[25] *JEN – Att 02-19 People's Panel recommendations – 20240420*

	efficient to pass these price signals onto our customers.	efficient to give our customers an incentive to shift exports to a more efficient time.
Adaptable	The tariff is technology-neutral and can benefit many different customer types. It does not rely on customers having solar panels, and any customer with discretionary energy consumption can benefit from cheaper electricity in the solar soak period.	The tariff is opt-in only so only customers who can benefit from using new technologies will opt in to it. Any customer can opt-in at any time.
Fairness and equity	Both solar and non-solar customers will benefit from cheaper electricity in daytime periods. It does not rely on customers having solar panels.	Our exporting customers who opt in to this tariff face the same prices as our non-exporting ToU customers. Only export charges and rewards will differ.
Education	This explanatory statement to our TSS provides an understanding of the need for this tariff and the bill impacts on different customer personas.	This explanatory statement to our TSS explains how export charges during the solar soak period provide additional pricing signals to our customers, so they can understand when it is costly to export and the basic export level threshold below which they will not be charged. We also plan to expand our IT capability to deliver integrated customer education programs that build energy literacy, enhance customer experience and improve the accessibility of information. This is discussed in more detail in section 2 of Attachment 06-04.

6. Residential customer impact analysis

We have conducted analysis to demonstrate the impact of our proposed tariff structures on network bills, using indicative DUoS prices for the financial year 2026-27. This analysis is based on financial year 2023-24 consumption data unless stated otherwise. Below we have discussed our key findings from the customer impact analysis for residential customers. However, it is important to note that actual impacts to the customers will vary according to their actual consumption profile and how retailers pass JEN's pricing signals on to customers.

Key finding 1: Non-solar customers are marginally better off than solar customers

Solar customers in our network have similar annual average consumption to non-solar customers. When comparing bill impact outcomes for our new daytime saver tariff, non-solar customers are marginally better off. Figure 6-1 shows the proportion of annual consumption by each half hour. We observe that customers with solar PV systems tend to self-consume their generation during the solar soak hours. Consequently, only 10% of their annual consumption happens within the proposed solar soak period.

Table 6–1: Average solar and non-solar customers' indicative bill impacts

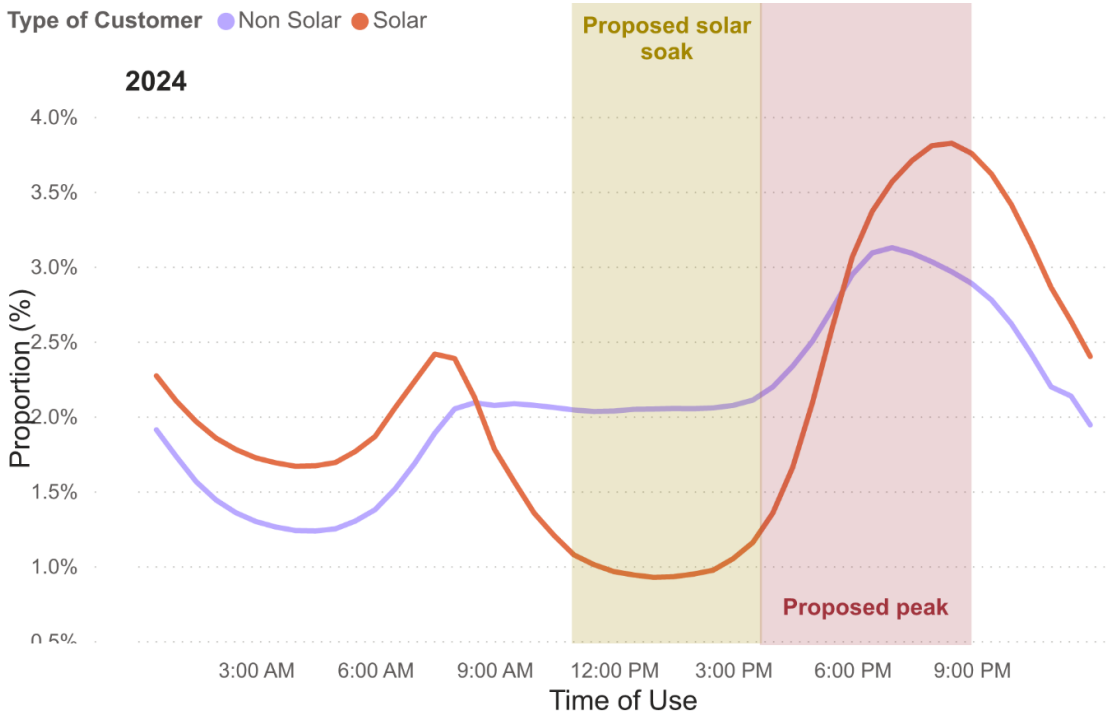
	Average annual usage kWh	Annual daytime saver bill $	Annual single-rate bill $	Variance to single-rate
Solar	4,347	$ 411	$ 441	$(30)
Non-solar	4,270	$ 379	$ 435	$(56)

Source: JEN

Note: These are indicative bills based on FY 2024 consumption data and FY 2027 indicative prices. Bills will vary for each customer based on individual consumption behaviours.

Distribution bill amounts and variance may not add up due to rounding.

Figure 6-1: Half-hourly consumption as a proportion of total daily consumption over 2024



Source: JEN

Figure 6-2 shows that solar customers consume 31% of their annual electricity during the proposed peak period (4 pm – 9 pm), which is the highest price window for the daylight saver (A130) tariff. Their low consumption during solar soak hours means that they may not benefit from cheaper prices during solar soak hours. Hence, solar

customers might have a slightly higher average bill on the daytime saver tariff (A130) compared to non-solar customers if they do not change their behaviours. However, as with all customers on A130, solar customers could move consumption out of the evening peak to reduce their total electricity bills.

Figure 6-2: Proportion of consumption by time of day for solar and non-solar customers

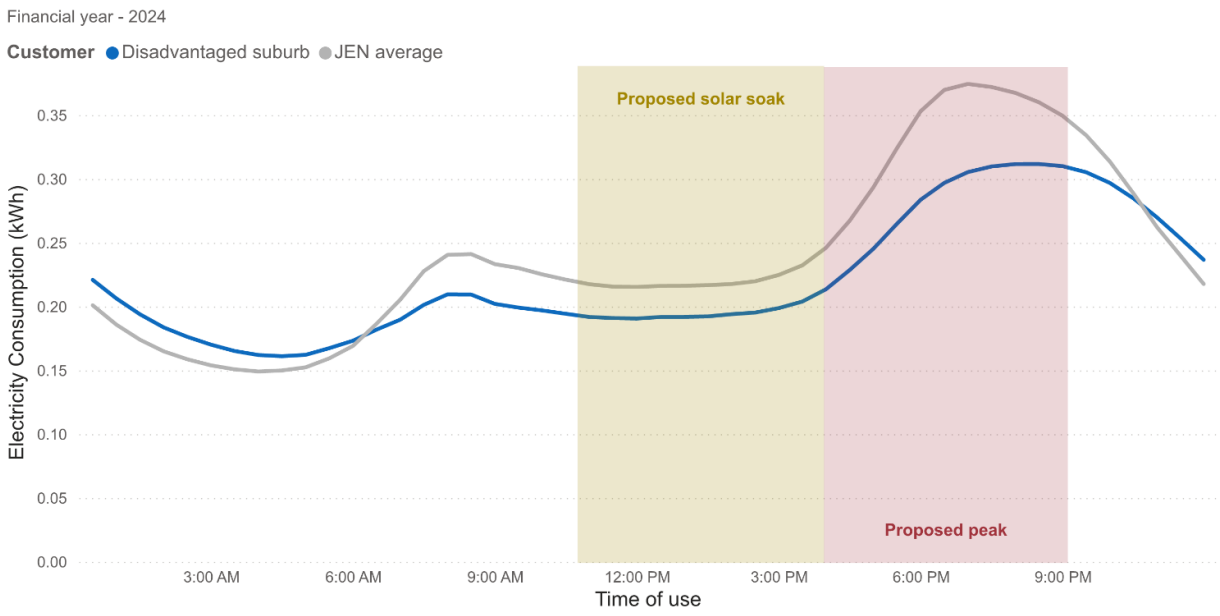
Source: JEN

Key finding 2: Disadvantaged customers will be relatively better off upon moving to the new daytime saver tariff

When designing the new default ToU tariff, JEN aimed to ensure that the tariff would not negatively effect disadvantaged customers who can not change their consumption behaviour. To understand the impact of changing the peak period and introducing a solar soak period on customers experiencing vulnerability, we have analysed their usage profile and network bill impact.

The most disadvantaged suburbs in JEN's distribution network area were identified using the "Dropping off the Edge Report"[26]. More than 9,000 customers from the identified areas made up the disadvantaged sample set used in this analysis. To understand the relative impact on these customers, we compared the bill impacts between an average JEN customer and customers from these regions. Figure 5-11 shows that an average customer from the disadvantaged suburbs consumes proportionally less electricity during the proposed peak period than an average JEN customer.

Figure 6-3 Electricity consumption profile comparison of an average customer from a disadvantaged suburb to an average JEN customer



Source: JEN

Table 6–2 shows that if customers from disadvantaged suburbs on the single-rate tariff are assigned to the new daytime saver tariff (A130), they will save an average of 14% on the distribution portion of their electricity bill.

[26] Dropping off the Edge Report, 2021: https://www.dote.org.au/victoria

Disadvantaged customers will therefore be relatively better off moving than an average JEN customer, who will save 11% on the distribution portion of their electricity bill in moving from the single-rate to the ToU tariff.

Table 6–2: Comparison of customers between disadvantaged customers and an average JEN customer

	Average annual usage kWh	Annual daytime saver bill $	Annual single-rate bill $	Variance to single-rate
Average customer from a disadvantaged area	3,878	$348	$405	($57)
Average JEN customer	4,211	$383	$431	($48)

Source: JEN
Note: These are indicative bills based on financial year 2024 consumption data and 2027 indicative prices. Bills will vary for each customer based on individual consumption behaviours.
Distribution bill amounts and variance may not add up due to rounding.

We have developed illustrative bill impact examples to help our residential customers understand the impact of our proposed tariff structures. We have undertaken bill impact analysis on a range of different customer personas for residential customers (see Table 6–3 below).

These customer personas are based on actual consumption data of JEN customers and consider specific consumption profiles and CER uptake rates. These personas provide insights into potential bill impacts for customers consuming in ways similar to these profiles. For each persona, we have estimated the FY 2027[27] annual distribution network bill based on JEN's single-rate tariff (A100) and compared this bill with the following tariffs:

- The current regulatory period's default ToU tariff (A120) applied to FY2027
- The proposed new default daytime saver ToU tariff (A130) in FY2027
- The proposed new opt-in export ToU tariff (A10E) in FY2027.

The bill impacts for the profiles listed in Table 6–3 below align with our finding that non-solar customers are marginally better off as compared to solar customers upon moving to the new daytime saver tariff. The customer profiles without installed solar demonstrate a relatively higher proportion of savings in their annual bills relative to the solar customers. The majority of solar profiles with batteries receive increased savings due to potential net export credit if opted in to the export tariff.

[27] 2026-27

Table 6–3: Illustrative 2026-27 annual bill impact summary for our residential customers ($nominal)

Customer profile	Profile description	Average annual Consumption kWh	Single-rate (A100) bill	Moving to current period ToU tariff (A120)	Moving to daytime saver tariff (A130)	Moving to Daytime saver tariff (A130) with behavioural change[28]	Net Export credit/penalty for export tariff (A10E) (Opt-in)[(2)]
Pensioners without solar 	• Lower than average residential consumption • Most energy consumption during daytime	2,926	$331	**-13%** -$44	**-17%** -$57	**-18%** -$59	-
Couple without solar 	• Working from home couple • Higher energy consumption during daytime	4,771	$474	**-15%** -$71	**-18%** -$86	**-19%** -$90	-
Couple with solar 	• Couple working outside home with solar • Only base load during daytime resulting in high exports	1,283	$203	**-12%** -$24	**-8%** -$16	**-9%** -$17	**-32%** -$64
Young family without solar 	• A young family with relatively higher consumption in the evening.	4,423	$447	**-9%** -$41	**-11%** -$48	**-11%** -$51	-
Young family with solar 	• Higher proportion of consumption during peak hours	4,288	$437	**-14%** -$63	**-9%** -$40	**-10%** -$44	**+3%** +$11

[28] Assumption in behaviour change: Shifting 5% electricity consumption from peak hours (4 PM – 9 PM) to solar soak hours (11 AM – 4 PM)

Customer profile	Profile description	Average annual Consumption kWh	Single-rate (A100) bill	Moving to current period ToU tariff (A120)	Moving to daytime saver tariff (A130)	Moving to Daytime saver tariff (A130) with behavioural change[28]	Net Export credit/penalty for export tariff (A10E) (Opt-in)[(2)]
Established family without solar and with an EV 	• An established family with an EV and electrified home • Electric space heating, hot water system and EV driving higher than average consumption	7,253	$668	**-19%** -$125	**-21%** $138	**-22%** $144	-
Established family with solar and battery 	• An established family with solar and battery • Self-consuming stored electricity in the peak hours	4,877	$483	**-18%** -$88	**-17%** -$80	**-18%** -$85	**-5%** -$24
Established family with solar, battery and EV 	• Self-consuming majority of exports • Night-time EV charging driving high consumption after peak hours	4,461	$450	**-15%** -$67	**-12%** -$56	**-13%** -$60	**-3%** -$14
Customers with a life support system 	• Two-person household with limited ability to shift load • Higher than average consumption	4,784	$475	**-12%** -$56	**-14%** -$68	**-15%** -$72	-

Note:
(1) These bill impacts are indicative and individual customer outcomes may differ depending on customers' actual usage and the extent to which retailers pass on our price signals.
(2) Net Export credit/penalty for export tariff (A10E) is calculated as: Annual export credit less annual export penalty. A negative value indicates bill savings from net credit.
(3) Distribution bill amounts and savings may not add up due to rounding.
Source: JEN

7. Small and medium business customers

This section of our explanatory statement details our existing small and medium business customer tariffs in the current regulatory period, our proposed changes for the next regulatory period and the analysis we have undertaken to inform our proposal.

7.1 Our current tariff structures

The primary tariff structures we offer to our small and medium business customers in the current regulatory period are outlined in Table 7–1 below.

Table 7–1: Small and medium business customer primary tariff structures – 2021-26

Tariff	Details
Single rate	Includes: • Fixed charge ($/annum) • Single-rate consumption charge (c/kWh) Consumption charge is the same at all times of day.
Time-of-use (**ToU**)	Includes: • Fixed charge ($/annum) • Peak consumption charge (c/kWh) • Off-peak consumption charge (c/kWh) Consumption charge varies depending on the time of day, with higher peak period charges and lower off-peak period charges, with the peak period depending on the specific tariff.
Demand	Includes: • Fixed charge ($/annum) • Single-rate consumption charge (c/kWh) • Demand ($/kW) Consumption charge is the same at all times of day. However, the demand charge is levied based on the customer's demand during the peak period.

Similar to our default residential tariff, our current default small and medium business tariff is time-of-use, which is a cost-reflective tariff with variable consumption charges for peak and off-peak periods.

7.2 Our proposed changes

We are not proposing any major changes to small and medium business customers' tariff structures. We heard from our customers that price certainty is particularly important to them. We are therefore proposing to maintain the majority of our existing tariffs.

However, we are proposing to remove one of our small and medium business demands tariffs (A20D), as we currently have only 12 small and medium business customers on this tariff. This approach is consistent with our proposal to remove our residential customer demand tariff (A10D), as discussed above in section 5 Residential customers. While we are proposing to remove our smaller demand tariff A20D, we propose to retain our larger demand tariffs, A230 and A270, as these tariffs collectively have over 1,000 customers and allow flexibility for customers who wish to remain on demand tariffs. Current A20D customers will be moved to the relevant default tariff for their size and usage.

The tariff structures we are proposing to offer our small and medium business customers in the next regulatory period are outlined in Table 7–2.

Table 7–2: Small and medium business customer primary tariff structures – next regulatory period

Tariff	Details
Single rate	Includes: • Fixed charge ($/annum) • Single-rate consumption charge (c/kWh) Consumption charge is the same at all times of day.
Time-of-use (**ToU**)	Includes: • Fixed charge ($/annum) • Peak consumption charge (c/kWh) • Off-peak consumption charge (c/kWh) Consumption charge varies depending on the time of day, with higher peak period charges and lower off-peak period charges, with the peak period depending on the specific tariff.
Demand	Includes: • Fixed charge ($/annum) • Single-rate consumption charge (c/kWh) • Demand ($/kW) Consumption charge is the same at all times of day. However, the demand charge is levied based on the customer's demand during the peak period.

7.3 Supporting analysis

Our small and medium business customers use our network in materially different ways than our residential customers. This requires us to take a different approach when designing tariff structures and tariffs, particularly in relation to ToU tariffs.

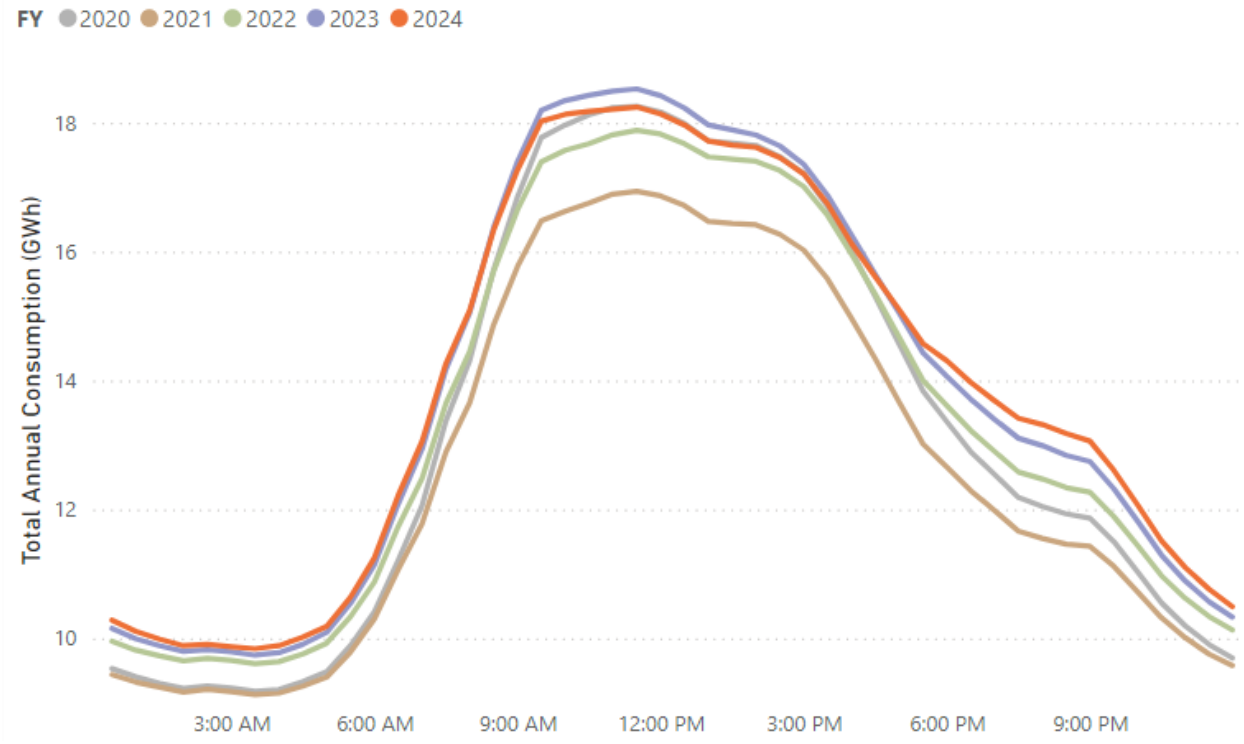
7.3.1 ToU tariffs

Do our peak and solar soak periods reflect the periods of maximum and minimum demand on the network?

Figure 7-1 below displays the annual consumption trend by time of day for JEN's small and medium business customers over the past five years. It highlights that our small business customers have materially different average consumption profiles than our residential customers.

Importantly, Figure 7-1 outlines that our small and medium business customers are not contributing to JEN's minimum demand and peak demand constraints in the same way as our residential customers. These customers' maximum demand tends to occur in the morning and the middle of the day, coinciding with the solar soak period, which helps to alleviate minimum demand issues on our network.

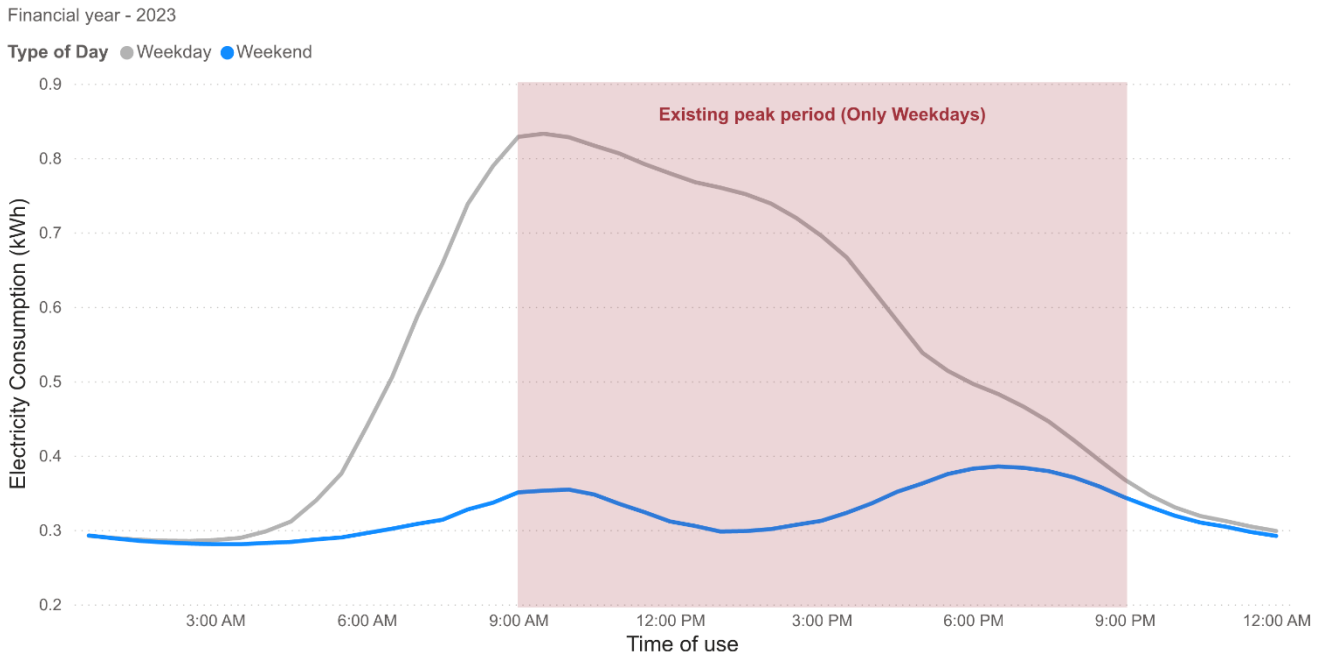
Figure 7-1: Small and medium business annual consumption trend by time of day (GWh)



Source: JEN

Figure 7-2 below shows that small and medium businesses consume less energy on weekends than on weekdays. Currently, the peak period for most small and medium business customers applies only to weekdays, with all other periods considered off-peak. Also, the consumption during peak periods is much higher than during off-peak periods. Currently, the small business ToU peak and off-peak period (9 am to 9 pm local time on weekdays) is aligned with all other Victorian DNSPs.

Figure 7-2: Small and medium business electricity consumption on weekdays and weekends

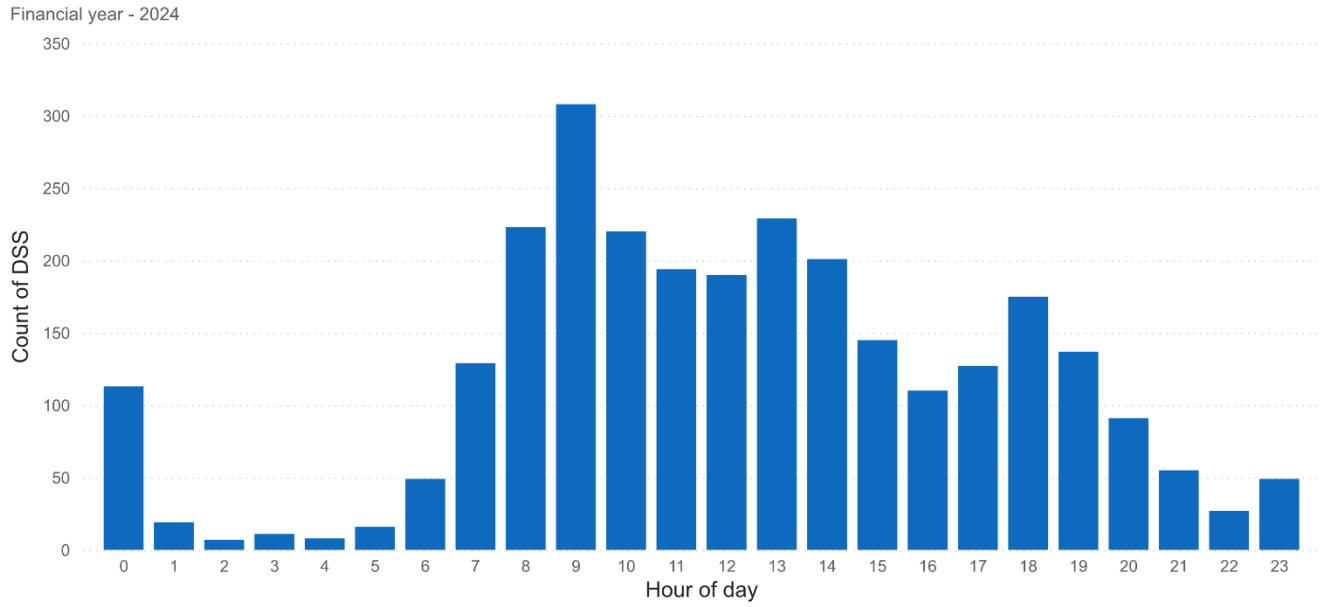


Source: JEN

Figure 7-33 below shows the count of small business distribution substations with respect to the time they peak. 33% of such distribution substations peak between 11 pm - 4 pm. 75% of distribution substations serving small businesses peak between 9 AM and 9 PM i.e. the current peak period for small business customers. This analysis indicates that small businesses consume sufficient electricity between 11 am and 4 pm and do not require additional incentives to consume more during that period.

For this reason, we are not proposing any change to our ToU structure for small and medium business customers. Our existing tariffs, which include both single-rate and ToU options, provide sufficient incentives and flexibility for these customers to consume more during the daytime to maintain a safe and reliable supply of electricity. We also note that introducing a solar soak period would cause proportionally more revenue recovery to come from evening periods, leaving many small and medium businesses (e.g. restaurants) paying more for electricity at times when they are unable to shift their load.

Figure 7-3: Count of small and medium business distribution substations peaking by the hour of day



Source: JEN

7.4 Customer engagement

Small business customers are time-poor and their availability to consult in network tariffs is limited, which has been reflected both in engagement for the current regulatory period and the next regulatory period. However, we reached out to our customer base to schedule several engagement sessions. Attendees did not express strong opinions on specific pricing or tariff topics. However, they expressed concern about the pace of change in the energy market and whether the information they currently received from their retailer was sufficient. Given the uncertainty in this area, they also wanted to understand how the energy transition would affect their retail bills, the current price sensitivity, and the viability of solar panels, battery storage and the future of EV charging.

In collaboration with the other Victorian distributors, we released a small business consultation paper to the community and small business interest groups for consultation in June 2024, with responses received in July 2024[29]. The paper sought views on:

- adjusting peak and off-peak windows for the small business ToU tariff
- reasons for introducing a solar soak period in the middle of the day
- whether customers should still be able to opt in to single-rate tariffs

[29] *JEN – Att 02-25 – Joint Vic DB engagement – Small Bus Consultation Paper – 20240630*

- whether demand tariffs should be removed for small business customers
- the benefits of introducing export tariffs
- tariff assignment.

In response to our joint consultation paper, several respondents suggested that distributors should consider solar soak periods for small and medium business customers. We consider that most small and medium business customers do not require an incentive to consume more electricity during peak periods of solar export as they consume most of their electricity during the day. Further, many customers who do not already consume their electricity during the day will be unable to respond to the pricing signal by shifting their consumption.

7.5 Bill impact analysis

Although we are not proposing any changes to the existing single rate and ToU small business tariffs, we have conducted bill impact analysis for our small business customers using indicative DUoS prices for the financial year 2026-27. This analysis is based on financial year 2023-24 consumption data.

We have developed illustrative bill impact examples to help our small and medium business customers understand the potential difference between a single rate and a ToU tariff. We have undertaken bill impact analysis on a range of different customer personas for these customers (see Table 7–3 below). All of the small and medium business customer profiles are better off on the ToU tariff as compared to being on the single rate tariff. However, it is important to note that individual benefits will vary based on unique consumption patterns and volumes.

Table 7–3: Illustrative 2026-27 annual bill impact summary for our small and medium business customers ($nominal)

Customer profile	Profile description	Average annual consumption (kWh)	Single-rate tariff (A200)	Bill savings if move to ToU tariff (A210)
Physiotherapist 	A physiotherapist operating from 9 am to 5 pm Monday to Friday and up to 12 pm on weekends	8,164	1,138	**-17%** -$198
Café 	A café operating from 7 am to 3 pm all days of the week	25,988	3,218	**-44%** -$1,403
Gym 	A gym that operates 24 hours all days of the week	30,867	3,787	**-42%** -$1,580
Restaurant 	A restaurant that operates from 5 pm to 10 pm all days of the week	31,935	3,912	**-45%** -$1,759
School 	A school without solar panels, currently operating from 7 am to 4 pm weekdays	31,957	3,914	**-25%** -$983

Note: These bill impacts are indicative and individual customer outcomes may differ depending on customers' actual usage and the extent to which retailers pass on our price signals. Numbers may not add up due to rounding.
Source: JEN

8. Large business customers

This section of our explanatory statement relates to our large business customers, which include low-voltage, high-voltage and subtransmission customers. It details our existing large business customer tariffs in the current 2021-26 regulatory period, our proposed changes for the next regulatory period and the analysis we have undertaken to inform our proposal.

8.1 Our current tariff structures

In the current period, large business customers all have the tariff structure outlined in Table 8–1.

Table 8–1: Large business customer primary tariff structures – 2021-26

Tariff	Details
Demand	Includes: • Fixed charge ($/annum) • Peak consumption charge (c/kWh) • Off-peak consumption charge (c/kWh) • Demand charge ($/kVA) • Summer demand incentive charge (**SDIC**) (c/kVA/day) Consumption charge varies depending on the time of day, with higher peak period charges and lower off-peak period charges.

During the current regulatory period, we have gradually transitioned our large business customers to fully cost-reflective prices for the SDIC. Customers could also choose to be assigned to their respective fully cost-reflective SDIC tariff (tariff code ending in C, T or X) at any time before 2025-26. The SDIC tariff component was introduced in the current regulatory period in response to AER concerns that our other demand charging components were not sufficiently cost-reflective in periods of peak demand. The SDIC aims to provide an incentive for customers to reduce their demand during the 4 pm – 7 pm SDIC peak period in the hottest months of the year (December to March).

8.2 Our proposed changes

Similar to our small and medium business customers, we are not proposing any major changes to our large business customers' tariff structures. As noted above, our SDIC transition will be completed by 2025-26 and therefore all of our large business customers will be assigned to the relevant fully cost-reflective SDIC tariff from the first year of the next regulatory period (FY 2027). This has allowed us to remove the transitional tariffs for our large business customers, leading to a simplified tariff selection. This is consistent with the objectives and principles we engaged with our customers on during our engagement program, as outlined in Section 3 above.

The tariff structures we are proposing to offer to our large business customers in the next regulatory period are outlined in Table 8–2 below.

Table 8–2: Large business customer primary tariffs – next regulatory period

Tariff	Details
Demand	Includes: • Fixed charge ($/annum) • Peak consumption charge (c/kWh) • Off-peak consumption charge (c/kWh) • Demand charge ($/kVA) • SDIC (c/kVA/day) Consumption charge varies depending on the time of day, with higher peak period charges and lower off-peak period charges.
Battery	Includes: • Fixed charge ($/annum) • Peak consumption charge (c/kWh) • Off-peak consumption charge (c/kWh) • Solar soak consumption charge (c/kWh) • Solar soak period export charge (c/kWh) • Peak period export charge (c/kWh) • SDIC (c/kVA/day) The SDIC charge is levied if the battery is charged during the evening peak (4 pm to 7pm) in the hottest months of the year (December to March).

8.2.1 Large business battery tariff

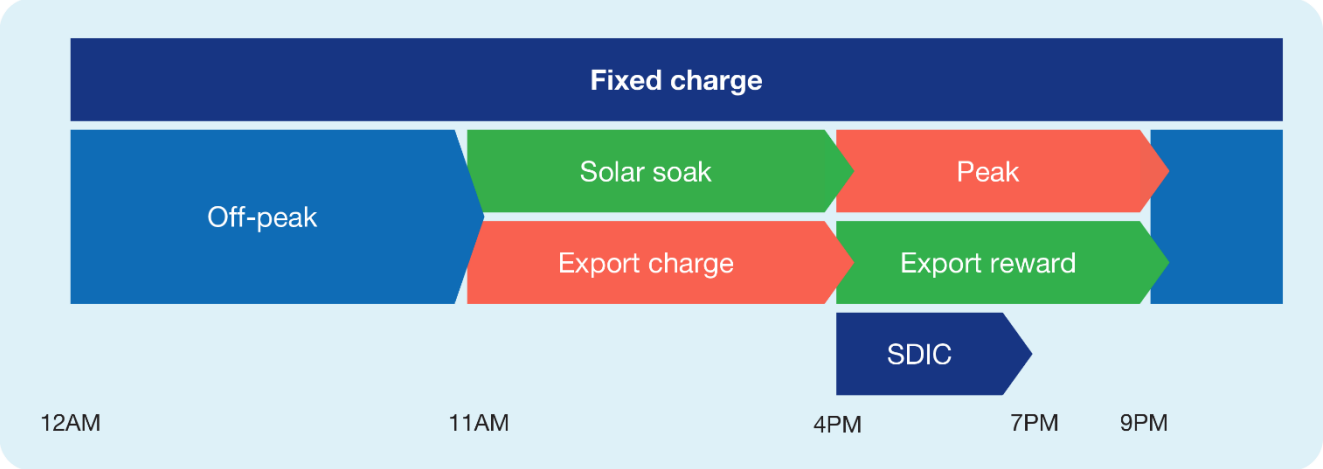
Community batteries are shared resources. They can store energy from connected solar customers in the community at times of peak solar output (i.e., in the middle of the day) and return electricity to the same consumers during network peak times when solar energy is less likely to be available and electricity is more expensive. This can also benefit the larger network by reducing network peak demand and preventing excess solar energy from entering the network.

While there has yet to be a widespread take-up of community batteries in Australia, they are on the cusp of becoming more prevalent, with both the Federal and Victorian Governments providing funding for trial community battery projects. As a distribution network service provider, we are interested in exploring community battery opportunities ourselves and supporting the projects of the retailers, councils and energy-focused community groups that have reached out to us for information on these batteries.

To facilitate the uptake of community batteries, JEN has offered a Large Business - LV battery tariff as a trial since 1 July 2023. No customers are currently on this tariff, but this is expected to change, with four JEN-owned community batteries and one community group-owned battery expected to come online in 2025. There are also further batteries expected in the pipeline in response to Federal and Victorian Government incentives.

The trial tariff is similar to the residential export tariff in structure, with the addition of an SDIC tariff component to discourage battery charging in times of peak demand, as shown in Figure 8-1 below. The solar soak period for community batteries is currently attracting a bill credit, i.e. community battery customers are paid for consuming electricity during this period of peak solar exports. We propose to change our community battery tariff from a trial tariff in the current regulatory period to a tariff offering available to all qualifying customers in the next regulatory period.

Figure 8-1: Structure of JEN's proposed LV large business battery tariff



Source: JEN
Note: the SDIC charge only applies during the evening peak (4 pm to 7pm) in the hottest months of the year (December to March)

The additional tariff components in the battery tariff are an export charge and an export reward. The export charge would penalise batteries exporting during the day solar soak period in the middle of the day, encouraging battery operators to store electricity. The export reward would give battery operators a bill credit for exporting during the evening period of peak demand. The SDIC component is intended to signal to customers the costs of contributing to the evening peak demand period, further disincentivising battery operators from charging during peak demand periods.

8.2.2 Site-specific tariffs

During the current regulatory period, several very large customers have connected to the JEN electricity distribution network. These customers may wish to explore customised tariffs. We wish to offer flexibility in tariffs for these customers, where we consider it beneficial to both connecting and existing customers.

The tariff components applicable to the new site-specific tariffs, A40S (large business high voltage – site-specific) and A50S (large business subtransmission – site-specific), would be the same as all other large business tariffs, as shown in Table 8–2. Price levels would change depending on the individual profile or expected profile of the customer. Taking customer capital contributions into account, JEN will set price levels to ensure investment recovery guided by the relevant standard (non-site-specific) tariff that would otherwise apply to the customer.

JEN will re-assess each site-specific customer every year and may adjust their site-specific pricing or move them to the relevant standard tariff for their usage profile if cost recovery is lower than expected, with a recalculation of capital contributions if necessary.

8.3 Customer engagement

In our large customer forums, customers expressed a desire for simple tariffs, with components that are easy to explain to non-experts in each business. Some customers also indicated that they find current tariff components difficult to respond to, meaning that price signals will not change these customers' behaviour.

We note that customers have raised concerns about the SDIC. This tariff component was introduced in the current regulatory period, in response to the AER concerns that our other demand charging components were not sufficiently cost-reflective in periods of peak demand. The SDIC aims to provide an incentive for customers to reduce their demand during the 4 pm – 7 pm SDIC peak period from December to March. As noted above, the first time all customers will have transitioned to our fully cost-reflective SDIC tariffs by 2025-26 and we are therefore not proposing any changes to these tariffs for the next regulatory period. We believe that further changing customers' tariffs so soon after implementing a large change would lead to more difficulty for customers,

as the SDIC was introduced to ensure cost-reflectivity for large customers and its removal would be likely to necessitate consideration of alternative tariff components.

Currently, the SDIC incentivises lower consumption in peak demand periods during summer months. We are considering whether a winter demand incentive charge (**WDIC**) would be useful in the next regulatory period if the maximum demand on the network starts to occur in winter instead of summer. At this stage, we have not fully considered this and we will engage with the AER and stakeholders on this matter once we have undertaken more analysis.

8.3.1 Consistency with pricing principles and NER

We assess our proposed tariffs against our pricing principles outlined in Table 3–1 and Section 3.2 in the following table:

Table 8–3: Assessing tariffs against pricing principles identified through our engagement

Principle	Battery tariff	Site-specific tariffs
Simple	We have kept this tariff as close to existing large tariffs as possible while allowing for changes due to the unique nature of batteries.	These tariffs will have the same components as the other standard large business tariffs, reducing confusion in considering tariffs.
Efficient	It is efficient to give our customers an incentive to shift exports to flatten the usage profile.	JEN will only offer these tariffs to customers who can offer network support and where there is therefore a mutual economic benefit.
Adaptable	We will assess the behaviour of customers on this tariff and update pricing accordingly.	Site-specific tariffs will be the most flexible of JEN's tariffs.
Fairness and equity	We believe this tariff will be revenue-neutral compared to other large business tariffs.	Each customer's tariff will be individually calculated, ensuring cost-reflectivity and equivalency with customers on standard tariffs.
Education	The battery tariff has been in the market as a trial tariff, promoting knowledge in the groups most likely to seek this tariff.	Large business customers have access to JEN support through their retailers or direct contact.

Appendix A
NER compliance checklist

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A1. NER compliance checklist

This TSS is a requirement of the NER.

Table A1–1: NER compliance requirement checklist

Rule	Requirement	Location
6.8.2	**Submission of regulatory proposal, tariff structure statement and exemption application**	
6.8.2(a) and (b)	A Distribution Network Service Provider must, whenever required to do so under paragraph 6.8.2(b), submit to the AER a regulatory proposal and a proposed tariff structure statement related to the distribution services provided by means of, or in connection with, the Distribution Network Service Provider's distribution system. A regulatory proposal, a proposed tariff structure statement and, if required under paragraph (a1), an exemption application must be submitted: (1) at least 17 months before the expiry of a distribution determination that applies to the Distribution Network Service Provider; or (2) if no distribution determination applies to the Distribution Network Service Provider, within 3 months after being required to do so by the AER.	JEN's 2026-31 Proposal and tariff structure statement
6.8.2(c)(7)	A regulatory proposal must include a description (with supporting materials) of how the proposed tariff structure statement complies with the pricing principles for direct control services including: (i) a description of where there has been any departure from the pricing principles set out in paragraphs 6.18.5(e) to (g); and (ii) an explanation of how that departure complies with clause 6.18.5(c).	JEN's 2026-31 TSS explanatory statement sections 5.4.1, 8.3.1 No departures from pricing principles.
6.8.2(c1)(1)	The regulatory proposal must be accompanied by an overview paper in reasonably plain language which includes each of the following matters: (1) a summary to explain: (ii) the proposed tariff structure statement including the export tariff transition strategy;	JEN's 2026-31 Proposal, chapter 9
6.8.2(c1)(2)	The regulatory proposal must be accompanied by an overview paper in reasonably plain language which includes a description of: (i) how the Distribution Network Service Provider has engaged with relevant stakeholders including distribution service end users or groups representing them and (in relation to the tariff structure statement) retailers and Small Resource Aggregators in developing the regulatory proposal and the proposed tariff structure statement including the export tariff transition strategy; (ii) the relevant concerns identified as a result of that engagement; and (iii) how the Distribution Network Service Provider has sought to address those concerns.	This TSS explanatory statement sections 3, 7.4, 8.3.

Rule	Requirement	Location
6.8.2(c1)(5)	The regulatory proposal must be accompanied by an overview paper in reasonably plain language which includes a description of the key risks and benefits for distribution service end users of the regulatory proposal and the proposed tariff structure statement including the export tariff transition strategy.	This TSS explanatory statement contains bill impacts and customer considerations of the TSS in chapters 5-8.
6.8.2(d1)	The proposed tariff structure statement must be accompanied by an indicative pricing schedule.	Appendices 1 and 2 to JEN's TSS provide the SCS and ACS indicative pricing schedules
6.8.2(d2)	The proposed tariff structure statement must comply with the pricing principles for direct control services.	JEN's 2026-31 Proposal and tariff structure statement, with specific compliance for new tariffs shown in this TSS explanatory statement, sections 5.4.1 and 8.3.1.
6.8.2(e)	If more than one distribution system is owned, controlled or operated by a Distribution Network Service Provider, then, unless the AER otherwise determines, a separate regulatory proposal and a separate tariff structure statement are to be submitted for each distribution system.	Not applicable
6.8.2(f)	If, at the commencement of this Chapter, different parts of the same distribution system were separately regulated, then, unless the AER otherwise determines, a separate regulatory proposal and a separate tariff structure statement are to be submitted for each part as if it were a separate distribution system.	Not applicable
6.18.1A	**Distribution Pricing Rules – Tariff structure statement**	
6.18.1A(a)(1)	A tariff structure statement of a Distribution Network Service Provider must include the tariff classes into which retail customers for direct control services will be divided during the relevant regulatory control period.	Section 2 of JEN's TSS
6.18.1A(a)(2)	A tariff structure statement of a Distribution Network Service Provider must include the policies and procedures the Distribution Network Service Provider will apply for assigning retail customers to tariffs or reassigning retail customers from one tariff to another (including any applicable restrictions).	Section 5 of JEN's TSS
6.18.1A(a)(2A)	A tariff structure statement of a Distribution Network Service Provider must include a description of the strategy or strategies the Distribution Network Service Provider has adopted, taking into account the pricing principle in clause 6.18.5(h), for the introduction of export tariffs including where relevant the period of transition (export tariff transition strategy).	Section 6 of JEN's TSS
6.18.1A(a)(3)	A tariff structure statement of a Distribution Network Service Provider must include the structures for each proposed tariff.	Section 4 of JEN's TSS
6.18.1A(a)(4)	A tariff structure statement of a Distribution Network Service Provider must include the charging parameters for each proposed tariff.	Section 4 of JEN's TSS

Rule	Requirement	Location
6.18.1A(a)(5)	A tariff structure statement of a Distribution Network Service Provider must include a description of the approach that the Distribution Network Service Provider will take in setting each tariff in each pricing proposal of the Distribution Network Service Provider during the relevant regulatory control period in accordance with clause 6.18.5 (pricing principles).	Section 3 of JEN's TSS
6.18.1A(b)	A tariff structure statement must comply with the pricing principles for direct control services.	Section 3 of JEN's TSS
6.18.1A(e)	A tariff structure statement must be accompanied by an indicative pricing schedule which sets out, for each tariff for each regulatory year of the regulatory control period, the indicative price levels determined in accordance with the tariff structure statement.	Appendices 1 and 2 to JEN's TSS provide the SCS and ACS indicative pricing schedules
6.18.3	**Tariff classes**	
6.18.3(b)	Each retail customer for direct control services must be a member of 1 or more tariff classes.	Section 2 of JEN's TSS
6.18.3(c)	Separate tariff classes must be constituted for retail customers to whom standard control services are supplied and retail customers to whom alternative control services are supplied (but a retail customer for both standard control services and alternative control services may be a member of 2 or more tariff classes).	Sections 2 and 7 of JEN's TSS
6.18.3(d)	A tariff class must be constituted with regard to: (1) the need to group retail customers together on an economically efficient basis; and (2) the need to avoid unnecessary transaction costs.	Section 2 of JEN's TSS
6.18.4 **6.18.4(a)**	**Principles governing assignment or re-assignment of retail customers to tariff classes and assessment and review of basis of charging.** **In formulating provisions of a distribution determination governing the assignment of retail customers to tariff classes or the re-assignment of retail customers from one tariff class to another, the AER must have regard to the following principles:**	
6.18.4(a)(1)	retail customers should be assigned to tariff classes on the basis of one or more of the following factors: (i) the nature and extent of their usage or intended usage of distribution services; (ii) the nature of their connection to the network; (iii) whether remotely-read interval metering or other similar metering technology has been installed at the retail customer's premises as a result of a regulatory obligation or requirement;	Section 5 of JEN's TSS
6.18.4(a)(2)	retail customers with a similar connection and distribution service usage profile should be treated on an equal basis, subject to subparagraph (3A);	Section 5 of JEN's TSS
6.18.4(a)(3A)	retail customers connected to a regulated SAPS should be treated no less favourably than retail customers connected to the interconnected national electricity system; and	Not applicable

Rule	Requirement	Location
6.18.4(a)(4)	a Distribution Network Service Provider's decision to assign a customer to a particular tariff class, or to re-assign a customer from one tariff class to another, should be subject to an effective system of assessment and review. Note: If (for example) a customer is assigned (or reassigned) to a tariff class on the basis of the customer's actual or assumed maximum demand, the system of assessment and review should allow for the reassignment of a customer who demonstrates a reduction or increase in maximum demand to a tariff class that is more appropriate to the customer's load profile.	Sections 2 and 5 of JEN's TSS
6.18.4(b)	If the charging parameters for a particular tariff result in a basis of charge that varies according to the distribution service usage profile of the customer, a distribution determination must contain provisions for an effective system of assessment and review of the basis on which a customer is charged.	Sections 2 and 5 of JEN's TSS
6.18.5	**Pricing principles**	
6.18.5(a)	The network pricing objective is that the tariffs that a Distribution Network Service Provider charges in respect of its provision of direct control services to a retail customer should reflect the Distribution Network Service Provider's efficient costs of providing those services to the retail customer. Note: Charges in respect of the provision of direct control services may reflect efficient negative costs.	Section 3 of JEN's TSS
6.18.5(b)	Subject to paragraph (c), a Distribution Network Service Provider's tariffs must comply with the pricing principles set out in paragraphs (e) to (j).	Section 3 of JEN's TSS
6.18.5(c)	A Distribution Network Service Provider's tariffs may vary from tariffs which would result from complying with the pricing principles set out in paragraphs (e) to (g) only: (1) to the extent permitted under paragraph (h); and (2) to the extent necessary to give effect to the pricing principles set out in paragraphs (i) to (j).	Not applicable
6.18.5(d)	A Distribution Network Service Provider must comply with paragraph (b) in a manner that will contribute to the achievement of the network pricing objective.	Section 3 of JEN's TSS
6.18.5(e)	For each tariff class, the revenue expected to be recovered must lie on or between: (1) an upper bound representing the stand alone cost of serving the retail customers who belong to that class; and (2) a lower bound representing the avoidable cost of not serving those retail customers.	Section 3 of JEN's TSS

Rule	Requirement	Location
6.18.5(f)	Each tariff must be based on the long run marginal cost of providing the service to which it relates to the retail customers assigned to that tariff with the method of calculating such cost and the manner in which that method is applied to be determined having regard to: (1) the costs and benefits associated with calculating, implementing and applying that method as proposed; (2) the additional costs likely to be associated with meeting demand from retail customers that are assigned to that tariff at times of greatest utilisation of the relevant service; and (3) the location of retail customers that are assigned to that tariff and the extent to which costs vary between different locations in the distribution network.	Section 3 of JEN's TSS
6.18.5(g)	The revenue expected to be recovered from each tariff must: (1) reflect the Distribution Network Service Provider's total efficient costs of serving the retail customers that are assigned to that tariff; (2) when summed with the revenue expected to be received from all other tariffs, permit the Distribution Network Service Provider to recover the expected revenue for the relevant services in accordance with the applicable distribution determination for the Distribution Network Service Provider; and (3) comply with sub-paragraphs (1) and (2) in a way that minimises distortions to the price signals for efficient usage of the relevant service that would result from tariffs that comply with the pricing principle set out in paragraph (f).	Section 3 of JEN's TSS
6.18.5(h)	A Distribution Network Service Provider must consider the impact on retail customers of changes in tariffs from the previous regulatory year and may vary tariffs from those that comply with paragraphs (e) to (g) to the extent the Distribution Network Service Provider considers reasonably necessary having regard to: (1) the desirability for tariffs to comply with the pricing principles referred to in paragraphs (f) and (g), albeit after a reasonable period of transition (which may extend over more than one regulatory control period); (2) the extent to which retail customers can choose the tariff to which they are assigned; and (3) the extent to which retail customers are able to mitigate the impact of changes in tariffs through their decisions about usage of services.	This TSS explanatory statement in chapters 5-8.

Rule	Requirement	Location
6.18.5(i)	The structure of each tariff must be reasonably capable of: (1) being understood by retail customers that are or may be assigned to that tariff (including in relation to how decisions about usage of services or controls may affect the amounts paid by those customers) or (2) being directly or indirectly incorporated by retailers or Small Resource Aggregators in contract terms offered to those customers, having regard to information available to the Distribution Network Service Provider, which may include: (3) the type and nature of those retail customers; (4) the information provided to, and the consultation undertaken with, those retail customers; and (5) the information provided by, and consultation undertaken with, retailers and Small Resource Aggregators.	Section 4 of JEN's TSS
6.18.5(j)	A tariff must comply with the Rules and all applicable regulatory instruments.	JEN's 2026-31 regulatory proposal, TSS and TSS explanatory statement
11.141 **11.141.13**	**Rules consequential on the making of the National Electricity Amendment (Access, pricing and incentive arrangements for distributed energy resources) Rule 2021** **Basic export levels to be specified in tariff structure statements**	
11.141.13(a)	For the purposes of new clause 6.18.1A(a), a tariff structure statement of a Distribution Network Service Provider that will apply during the tariff transition period for the Distribution Network Service Provider must include, in addition to the elements in new clause 6.18.1A(a): (1) for each proposed export tariff, the basic export level or the manner in which the basic export level will be determined; and (2) the eligibility conditions applicable to each proposed export tariff.	Section 6 of JEN's TSS

Appendix B
Tariff assignment and reassignment policy

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B1. Introduction

This appendix sets out JEN's tariff assignment and reassignment policy to apply from 1 July 2026. It describes the requirements that customers and their representatives must comply with when requesting a tariff assignment or reassignment and how JEN will respond to such requests. The policy is consistent with our TSS and reflects the outcomes of our customer engagement process.

When developing this policy, JEN has considered the need to:

- Assign and reassign customers to the appropriate network tariffs under the regulatory framework
- Ensure that customers pay a fair amount for their use of the distribution system (so that one customer does not benefit to the detriment of other customers).

This policy also sets out the eligible tariffs that are available for customers to request to be assigned or reassigned to.

B2. Process to assign and reassign customers

JEN uses the following process to assign or reassign customers to the appropriate tariff:

- Step 1: Tariff class assignment – the customer is assigned to the appropriate tariff class (residential, small, medium or large business) based on the tariff class criteria described in section B3.
- Step 2: Tariff assignment – For residential and small business customers, once the customer is assigned to the tariff class, the appropriate tariff is based on the default tariff for the customer as per the criteria specified in Section B4. For large business, high-voltage and sub-transmission customers the appropriate tariff is determined based on the customer's load and metering characteristics, specified against the criteria applicable to each tariff within the tariff class (see Section B6).

JEN's tariff schedule, published annually, also lists the criteria applicable to each tariff and tariff class. This policy and the tariff schedule provide the customer and customer's representative with the necessary information to select the tariff when applying for a tariff assignment or reassignment.

B3. Tariff class assignment

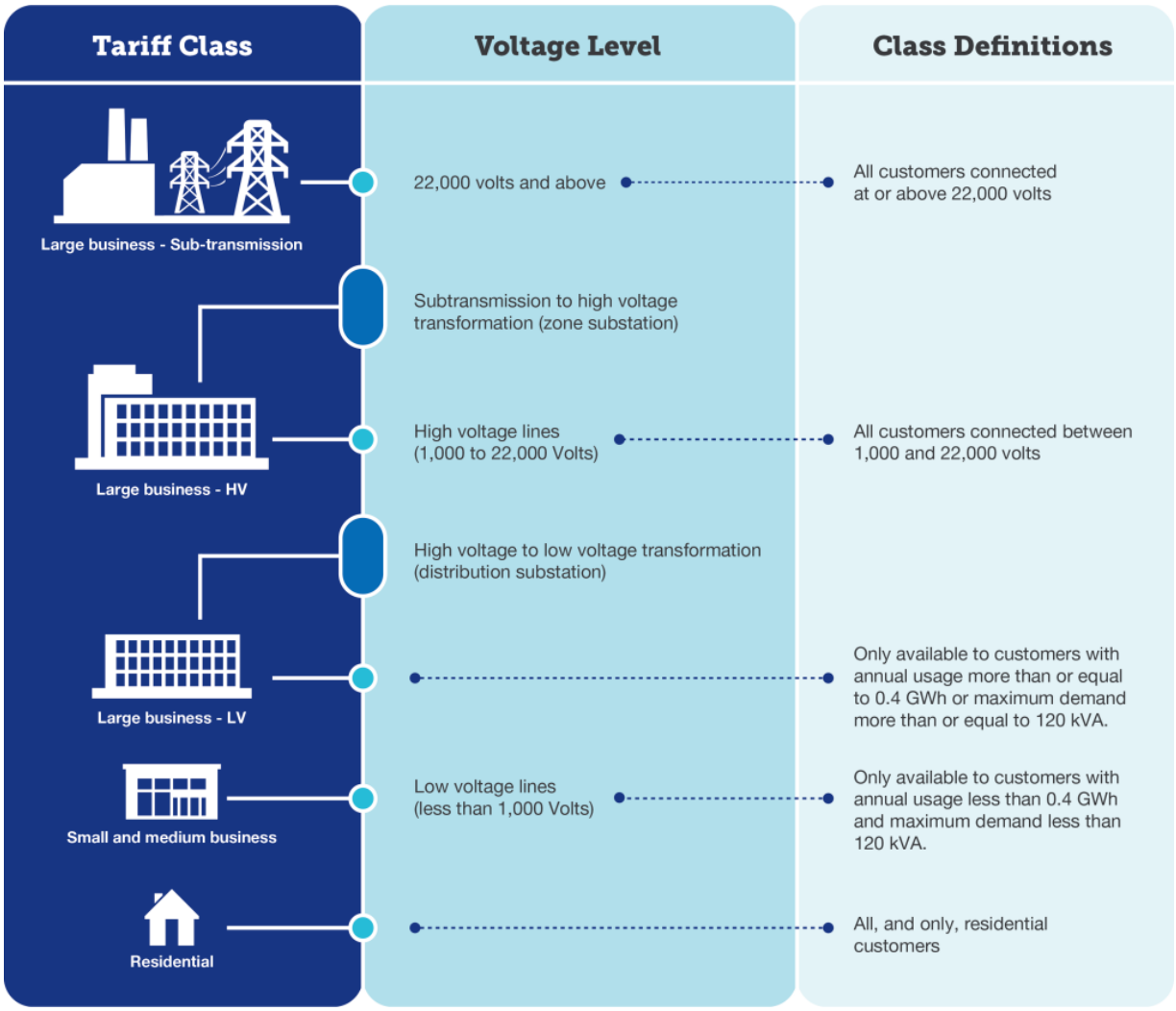
JEN has grouped its tariffs into five tariff classes based on customer's type (residential or business), customer's load and connection characteristics

Each tariff class incorporates several tariffs sharing a common tariff code numbering convention. For example, the Residential tariff class contains tariffs with tariff codes starting with A1XX, whereas the Small and Medium Business tariff class contains tariff codes starting with A2XX. The list of tariffs contained within each tariff class is detailed in Section B6. The five tariff classes are shown in Figure B3–1. The tariff class criteria used for tariff class assignment are:

1. Residential: This tariff class contains all tariffs starting with tariff codes A1XX and applies to all residential customers.
2. Small and Medium Business: This tariff class contains all tariffs starting with tariff codes A2XX and applies to Low Voltage business customers: a) consuming an annual amount of electricity less than 400 MWh; and b) having a maximum demand of less than 120 kVA.
3. Large Business Low Voltage: This tariff class contains all tariffs starting with tariff codes A3XX and applies to large business customers connected at low voltage: a) consuming an annual amount of electricity greater than or equal to 400 MWh; or b) having a maximum demand greater than or equal to 120 kVA; or c) where supply is taken from an on-site or dedicated substation.
4. Large Business High Voltage: This tariff class contains all tariffs starting with tariff codes A4XX and applies to large business customers connected at high voltage.

5. Large Business Sub-transmission: This tariff class contains all tariffs starting with tariff codes A5XX and applies to large business customers connected at sub-transmission voltage.

B3–1: JEN's tariff classes



B3.1 Embedded networks

Embedded networks are subject to the same criteria as non-embedded networks. They may be allocated to the small and medium business tariff class or one of the large business tariff classes (low voltage, high voltage or sub-transmission) depending on the embedded network's connection characteristics.

B4. Tariff Assignment

Tariff assignment occurs when a customer:

- Commences to consume electricity from a new supply point (i.e. new connection); or
- Takes over an existing supply point (i.e. change of occupancy).

Table B4–1 defines how the tariff is assigned in each of the above cases.

Table B4–1: Tariff assignment

Customer Type	New Connection	Change of occupancy
Residential customers	JEN will assign the customer to the relevant default tariff as described in Table B4–2.	If the retailer wishes to change tariff from that which is currently assigned to the NMI, the customer's retailer must request a tariff change to JEN using a B2B service order.
Small and medium business customers	JEN will use the estimated information collected from the customer, the customer's representative or the retailer's B2B service order to assign the customer to the tariff as described in Table B4–2	The customer or the customer's representative must notify JEN in writing of the change in occupancy, using either B2B or the form at Section B7 to enable JEN to assign the customer to the appropriate tariff.[30]
Large business customers	JEN will use the estimated information collected from the customer, the customer's representative or the retailer's B2B service order to assign the customer to the appropriate tariff.	The customer or the customer's representative must notify JEN in writing of the change in occupancy, using the form at Section B7 to enable JEN to assign the customer to the appropriate tariff.[31]

B4.1 Process for change of occupancy

Where the completed request form is received:

- within 20 business days from the date the change of occupancy occurred, the new tariff assignment (if approved by JEN) will take effect from the date the change of occupancy occurred, or
- after 20 business days from the date the change of occupancy occurred, the new tariff assignment (if approved by JEN) will take effect from the first day of the next billing cycle after the date of application.

The new network tariff assignment will not take effect until JEN advises the applicant in writing of the approval and effective date of the new tariff assignment.

JEN will use reasonable endeavours to advise the applicant in writing of the decision to a tariff assignment within 20 business days of receipt of the request.

As the tariff assignment will be based on estimated information obtained from the customer or customer's representative, it is the responsibility of the customer or customer's representative to monitor the suitability of the tariff applied and advise JEN if a tariff reassignment is required (see Section B5).

30 The applicant is wholly responsible for conveying the correct information to JEN and communicating any further requests and decisions made by JEN to the customer. JEN may request the applicant to re-submit the application form if the initial form is not correctly completed.

31 The applicant is wholly responsible for conveying the correct information to JEN and communicating any further requests and decisions made by JEN to the customer. JEN may request the applicant to re-submit the application form if the initial form is not correctly completed.

B4.2 Default tariffs

Table B4–2 provides the default tariffs applicable to new customers (except for change of occupancy[32]).

Table B4–2: Default tariffs

Customer Type	Criteria	Default Tariff
Residential customers	Residential customer	A130
Small business customers	Customers consuming < 40 MWh pa AND with a two-rate accumulation meter or Interval meter	A210
Medium business customers	Customers consuming >= 40 MWh pa AND with a two-rate accumulation meter or Interval meter.	A230
Large business customers	As per estimated demand and annual consumption (see the table in Section B6).	

B4.3 Site-specific tariffs

Any customer connected on a site-specific tariff (A40S or A50S, available only to customers in the Large Business – High Voltage or Large Business – Subtransmission tariff classes and at JEN's discretion) will be subject to an annual review. JEN may adjust a customer's site-specific pricing or move them to the relevant standard tariff for their usage profile if cost recovery is lower than expected, with a recalculation of capital contributions if necessary.

B4.4 Examples

Below are several examples to illustrate how JEN determines the appropriate tariff to be assigned to a customer.

B4.4.1 Example 1 – Business Customer A

Assumptions:

- Estimated annual consumption: 360 MWh
- Estimated maximum demand: 125 kVA
- Low voltage supply

Assessment:

- Step 1 – Tariff class assignment: The estimated maximum demand is 125 kVA, which is greater than 120 kVA. As a result, the customer is assigned to tariff class "Large Business - Low Voltage".
- Step 2 – Tariff assignment: The estimated annual consumption is 360 MWh, which is less than or equal to 0.8 GWh (each GWh = 1,000 MWh). As a result, the customer is assigned to tariff code A300 "LV <= 0.8 GWh".

[32] Change of occupancy customers would continue to remain on the tariff previous assigned to the NMI.

B4.4.2 Example 2 – Business Customer B

Assumptions:

- Estimated annual consumption: 240 MWh
- Estimated maximum demand: 70 kVA / 56 kW
- Interval meter

Assessment:

- Step 1 - Tariff class assignment: The estimated maximum demand is less than 120 kVA and the estimated annual consumption is less than 400 MWh. As a result, the customer is assigned to tariff class “Small and Medium Business”.
- Step 2 - Tariff assignment: The estimated annual consumption is greater than 40MWh and the customer has an interval meter. As a result, the customer is assigned to tariff code A230 “Time of use weekdays - Demand”.

B5. Tariff Reassignment

When a new customer is assigned to a tariff, that tariff will continue to apply until it is changed as part of a regulatory reset process or there is a change in the customer’s load, connection or metering characteristics, and:

- the customer or the customer’s representative applies for a tariff reassignment in accordance with Section B5.1; or
- JEN initiates the tariff reassignment in accordance with Section B5.2.

B5.1 Customer-initiated reassignment

Where the customer or the customer’s representative wants to request a tariff reassignment, they must apply in writing, either via:

- for residential customers and small business customers consuming under 40MWh per year, a B2B service order from their retailer; or
- for small business customers consuming over 40MWh per year and large business customers, completing the Jemena Tariff Reassignment Form in Section B8.[33]

Section B6 provides the criteria for, and a list of, eligible tariffs other than the default tariff for residential and small and medium business customers.

JEN will use reasonable endeavours to advise the applicant in writing of the decision to a tariff reassignment within 20 business days of receipt of the request.

The number of tariff reassignment applications a customer or the customer's representative may make in any 12-month period is:

- unlimited for residential customers and small business customers who consume under 40MWh per annum,
- one per supply point for all other customers.

[33] The applicant is wholly responsible for conveying the correct information to JEN and communicating any further requests and decisions made by JEN to the customer. JEN may request the applicant to re-submit the application form if the initial form is not correctly completed.

B5.2 JEN-initiated reassignment

JEN may become aware of the change in the customer's load, connection or metering characteristics through a number of means including, but not limited to:

- a written application or correspondence received from the customer or the customer's representative, such as an application for a tariff reassignment, a contract demand reset, request for upgrade or connection alteration, or the receipt of a B2B service order from the customer's retailer.
- Internal processes of review.
- the entering of a contractual arrangement between JEN and the customer.

Whether the customer, the customer's representative or JEN initiates a tariff reassignment JEN will use the process described in this document to reassign the customer to the appropriate tariff. JEN will endeavour to provide the customer or the customer's incumbent retailer with 20 business days' notice prior to the reassignment.

Where a residential or a small or medium business customer is on a single rate tariff and installs distributed energy resources capable of injection into JEN's network (including solar PV systems or batteries[34]) or upgrades the connection to a three-phase supply point, then JEN will automatically reassign the NMI to the default tariff specified under Section B4. In such cases, JEN will not provide the customer with prior notice of the reassignment. However, if the customer or the customer's representative prefers to be reassigned to another eligible tariff they can, via their retailer, either, inform JEN with a written application of the preferred tariff at the time of change or opt out of the default tariff at a later date.[35]

B5.3 Approach to contract demand

Contract demand is the kW (or kVA) demand used to calculate the demand charge component of a demand tariff where one is applicable to the customer in each billing period.

Where a customer is on a demand tariff that has a minimum chargeable demand, the tariff reassignment does not trigger an automatic change in the contract demand.[36] However, where the minimum chargeable demand of the new tariff is greater than the contract demand that is applied to the existing tariff, the contract demand will increase to match the minimum chargeable demand of the new tariff (see example 3 below).

Further information on the application of contract demand can be found in JEN's Policy for Resetting Contract Demand which can be accessed on the JEN website.

B5.4 Examples

We provide examples below to illustrate how JEN determines the appropriate tariff to be reassigned to the customer.

B5.4.1 Example 1 – Business Customer C

Assumptions:

- Annual consumption: Changed from 420 MWh to 830 MWh (changes in load characteristics)
- Low voltage supply

[34] If a robust register or other means to identify them becomes available to JEN, we will automatically assign customers who have a dedicated EV charger to the default tariff. Customers with a dedicated EV charger assigned to the default tariff would be able to seek reassignment to other eligible tariffs but would no longer have access to the flat rate network tariff.

[35] JEN will allow opt-out reassignment in accordance with the requirements of the AMI Order in Council.

[36] Please refer to JEN's annual network tariff schedule or our tariff structure statement for the minimum chargeable demand for each of the tariffs.

- Existing tariff class: “Large Business – Low Voltage”
- Existing tariff code: A300
- Existing contract demand 280 kVA
- The customer applied to be reassigned to tariff code A320.

Assessment:

- Step 1 - Tariff class assignment: The customer‘s annual consumption is 830 MWh, which is greater than or equal to 400 MWh. As a result, the customer will remain within the “Large Business - Low Voltage” tariff class.
- Step 2 - Tariff assignment: The annual consumption is 830 MWh, which is greater than 0.8 GWh but less than or equal to 2.2 GWh. As a result, the customer’s application to be reassigned is successful and they will be reassigned to tariff code A320 or, if requested, to the A32C. The contract demand will not change as a result of switching to tariff code A320 or A32C.

B5.4.2 Example 2 – Business Customer D

Assumptions:

- Annual consumption: Changed from 805 MWh to 380 MWh (changes in load characteristics)
- Existing tariff class: “Large Business – Low Voltage”
- Existing tariff code: A320
- Existing contract demand 252 kVA
- The customer applied to be reassigned to tariff code A230 under tariff class “Small Business”.

Assessment:

- Step 1 – Tariff class assignment: The customer has a contract demand of 252 kVA, which is above 120 kVA. As a result, the customer is not eligible to be reassigned to the “Small and Medium Business” tariff class. The customer will remain on the “Large Business - Low Voltage” tariff class. The customer’s application is unsuccessful.
- Step 2 – Tariff assignment: Despite the customer’s tariff class application being unsuccessful, JEN will assess if the customer can remain on the existing tariff code A320. The annual consumption is 380 MWh, which is less than 0.8 GWh. As a result, the customer will be reassigned to tariff code A300. The contract demand will not change as a result of switching to tariff code A300.

B5.4.3 Example 3 – Business Customer E

Assumptions:

- Annual consumption: Changed from 270 MWh to 405 MWh (changes in load characteristics)
- Existing tariff class: “Small and Medium Business”
- Existing tariff code: A230
- Existing contract demand: 105 kVA
- The customer applied to be reassigned to tariff code A300 under tariff class “Large Business – Low Voltage”.

Assessment:

- Step 1 – Tariff class assignment: The customer's annual consumption is 405 MWh, which is greater than or equal to 400 MWh. As a result, the customer will be reassigned to the "Large Business – Low Voltage" tariff class.
- Step 2 – Tariff assignment: The annual consumption is 405 MWh, which is less than or equal to 0.8 GWh. As a result, the customer's application is successful, and the customer will be reassigned to tariff code A300. The contract demand will increase to 120 kW, being the minimum chargeable demand under tariff code A300.

B5.4.4 Reassignment notification

Other than as noted in Section B5.2, JEN will notify the customer or the customer's representative directly in writing of the tariff class to which the customer has been reassigned prior to the reassignment occurring.

B5.4.5 Tariff reassignment initiated by the applicant

In the event the applicant initiates the tariff reassignment, JEN will notify the applicant in writing of the success or otherwise of the application. Where the application is not successful, JEN will advise the applicant of the reason for not being successful, and alternative tariffs that might be available to the customer.

Where the applicant is someone other than the customer or customer's retailer, the applicant will be required to obtain authorisation from the customer to deal with JEN on their behalf. The applicant will also take responsibility of communicating the outcome of the tariff reassignment to the customer.

B5.5 Objection

Customers or the customer's representative may request further information from JEN or object to the proposed tariff reassignment decision.

Customers or the customer's representative who wish to lodge an objection must do so in writing by using the Tariff Reassignment Objection Form in Section B9 and provide supporting evidence or documentation relating to the review. Customers or the customer's representative who wish to object to the tariff reassignment decision should make reference to their load, connection and metering characteristics. JEN relies on this information to be able to review the customer's or the customer's representative's objection application.

The completed Tariff Reassignment Objection Form must be emailed to CustomerRelations@jemena.com.au. We encourage customers or the customer's representative to request further information or clarification of the tariff reassignment decision before an objection is lodged.

If the completed objection form is lodged:

- within 20 business days from the date the customer or customer's representative was advised of the tariff reassignment decision, JEN will apply the changes following a successful objection from the 1st billing period starting after the request of tariff assignment/reassignment from the customer.
- after 20 business days from the date the customer or customer's representative was advised of the tariff reassignment decision, JEN will apply the changes following a successful objection from the 1st billing period starting after receipt of the completed objection form.

In both situations, if JEN requests further information pertaining to the objection application and such information is not provided within 20 business days from the date requested, JEN will apply the changes following a successful objection from the 1st billing period starting after receipt of the requested information.

Upon receipt of the customer's or the customer's representative's completed Tariff Reassignment Objection Form, JEN will review the assignment in accordance with our internal procedures and notify the applicant of the outcome within 20 business days. We may contact the applicant to request further information and advise if there are circumstances causing a longer review process.

If the customer remains unsatisfied with JEN's decision and response, they may contact the Energy and Water Ombudsman Victoria (EWOV) or seek a decision from the Australian Energy Regulator (AER) using the dispute resolution process available under Part 10 of the NEL.

B6. Tariff criteria

Table 8-4: Proposed tariffs

Tariff	Tariff code	Components	Unit	Notes
Open residential tariffs				
Residential single rate	A100	Standing charge	$ per annum	
		Unit rate	c/kWh	Applies at all times
Residential Time of Use (**ToU**) daytime saver	A130	Standing charge	$ per annum	
		Peak unit rate	c/kWh	4 pm to 9 pm local time every day
		Solar soak unit rate	c/kWh	11 am to 4 pm local time every day
		Off-peak unit rate	c/kWh	All other times
Residential export tariff	A10E	Standing charge	$ per annum	
		Peak unit rate	c/kWh	4 pm to 9 pm local time every day
		Solar soak unit rate	c/kWh	11 am to 4 pm local time every day
		Off-peak unit rate	c/kWh	All other times
		Export reward	c/kWh	4 pm to 9 pm local time every day
		Export charge	c/kWh	11 am to 4 pm local time every day
Residential tariffs closed to new entrants				
Residential off-peak hot water	A180	Standing charge	$ per annum	Set to zero
		Off-peak unit rate	c/kWh	11 pm to 7 am daily (AEST)
Open small and medium business tariffs				
Small business single rate (default for customers with consumption of < 40 MWh per annum)	A200	Standing charge	$ per annum	
		Unit rate	c/kWh	Applies at all times
Small business ToU weekdays (available to customers with consumption of < 40 MWh per annum)	A210	Standing charge	$ per annum	
		Peak unit rate	c/kWh	9 am to 9 pm local time on weekdays
		Off-peak unit rate	c/kWh	All other times
Medium business ToU weekdays	A230	Standing charge	$ per annum	
		Peak unit rate	c/kWh	7 am to 11 pm local time on weekdays

Tariff	Tariff code	Components	Unit	Notes
demand (default for customers with consumption of >= 40 MWh per annum)		Off-peak unit rate	c/kWh	All other times
		Demand charge	$/kW per annum	Demand charge applied to the maximum demand set using data over the last 12 months (where available)
Medium business ToU weekdays demand (opt-out) (available for customers with consumption of >= 40 MWh per annum and < 160 MWh per annum, but a capital contribution recalculation may be triggered)	A23N	Standing charge	$ per annum	
		Peak unit rate	c/kWh	7 am to 11 pm local time on weekdays
		Off-peak unit rate	c/kWh	All other times
		Demand charge	$/kW per annum	Demand charge set to zero
Unmetered supply	A290	Peak unit rate	c/kWh	7 am to 11 pm local time on weekdays
		Off-peak unit rate	c/kWh	All other times
Small and medium business tariffs closed to new entrants				
Small and medium business demand (available to customers with consumption of < 40 MWh per annum and meters capable of measuring demand)	A20D	Standing charge	$ per annum	
		Unit rate	c/kWh	
		Demand charge	$/kW per annum	Maximum weekday demand between 10 am and 8 pm over the last 12 months (where data is available)
Small and medium business ToU extended demand (applicable to existing customers with consumption of < 40 MWh per annum)	A270	Standing charge	$ per annum	
		Peak unit rate	c/kWh	7 am to 11 pm local time
		Off-peak unit rate	c/kWh	All other times
		Demand charge	$/kW per annum	Maximum demand set using data over the last 12 months (where available), subject to a minimum chargeable demand of 60 kW per annum
Open large business – LV tariffs				

Tariff	Tariff code	Components	Unit	Notes
Large business - LV <= 0.8 GWh	A30C	Each contains a: • Standing charge • Peak unit rate • Off-peak unit rate • Demand charge • Summer demand incentive charge (**SDIC**)	Unit is: • $ per annum • c/kWh • c/kWh • $/kVA per annum • c/kVA/day	Demand charge subject to minimum chargeable demand of 120 kVA per annum
Large business - LV 0.8+/- 2.2 GWh	A32C			Demand charge subject to minimum chargeable demand of 250 kVA per annum
Large business - LV 2.2+/- 6.0 GWh	A34C			
Large business - LV 6.0+ GWh (SDIC)	A37C			Demand charge subject to minimum chargeable demand of 450 kVA per annum
Large business battery tariff (available upon application and at JEN's discretion to customers with battery storage capacity <= 500 MVA)	A30B	Standing charge	$ per annum	
		Peak unit rate	c/kWh	4 pm to 9 pm local time every day
		Solar soak unit rate	c/kWh	11 am to 4 pm local time every day
		Export charge	c/kWh	11 am to 4 pm local time every day
		Export reward	c/kWh	4 pm to 9 pm local time every day
		SDIC	c/kWh	Levied if a battery is charged during the evening peak (4 pm to 7 pm) in the hottest months of the year (December to March)[37]
Large business – LV tariffs closed to new entrants				
Large business - LV_{MS} 2.2+/- 6.0 GWh (SDIC)	A34T	Each contains a: • Standing charge • Peak unit rate • Off-peak unit rate • Demand charge • Summer demand incentive charge (**SDIC**)	Unit is: • $ per annum • c/kWh • c/kWh • $/kVA per annum • c/kVA/day	Demand charge subject to minimum chargeable demand of 250 kVA per annum
Large business - LV_{MS} 6.0+ GWh (SDIC)	A37T			Demand charge subject to minimum chargeable demand of 450 kVA per annum
Open large business – HV tariffs				
Large business - HV_{CR} (SDIC)	A40C	Each contains a: • Standing charge • Peak unit rate • Off-peak unit rate	Unit is: • $ per annum • c/kWh • c/kWh	Demand charge subject to minimum chargeable demand of 1,000 kVA per annum
Large business - HV - Annual consumption ≥ 55 GWh (SDIC)	A48C			Demand charge subject to minimum chargeable demand of 10,000 kVA per annum

[37] This helps to disincentivise battery customers from charging their batteries during the evening peak period and instead charge during the solar soak or off-peak periods.

Tariff	Tariff code	Components	Unit	Notes
Large business – HV site-specific	A40S	• Demand charge • SDIC	• $/kVA per annum c/kVA/day	Demand charge subject to minimum chargeable demand of 1,000 kVA per annum
Large business – HV tariffs closed to new entrants				
Large business - HV_{RF_CR} (SDIC)	A40T	Each contains a: • Standing charge • Peak unit rate • Off-peak unit rate Demand charge	Unit is: • $ per annum • c/kWh • c/kWh • $/kVA per annum	Demand charge subject to minimum chargeable demand of 1,000 kVA per annum
Open LV – subtransmission tariffs				
Large Business - Subtransmission (SDIC)	A50C	Each contains a: • Standing charge • Peak unit rate • Off-peak unit rate • Demand charge • SDIC	Unit is: • $ per annum • c/kWh • c/kWh • $/kVA per annum • c/kVA/day	Demand charge subject to minimum chargeable demand of 15,000 kVA per annum
Large business - Multiple connections	A50M			
Large business - Subtransmission MA (SDIC)	A50T			
Large business - Subtransmission EG (SDIC)	A50X			
Large business – Subtransmission site-specific	A50S			

B7. Jemena tariff assignment form

This request form applies for business customers only. It must be used to request a network tariff assignment with respect to a change of occupancy where the customer or the customer's representative believes the network tariff and/or contract demand that applied to the previous tenant are no longer appropriate to continue to apply.

This form may be updated from time to time according to customer and business needs, but the current version will always be available in the ‘Documents’ section of JEN’s website.

B8. Jemena Tariff Reassignment Form

This request form must be used to request a network tariff reassignment for an existing business customer.

This form may be updated from time to time according to customer and business needs, but the current version will always be available in the ‘Documents’ section of JEN’s website.

B9. Network Tariff Reassignment Objection Form

This objection form must be used to lodge a tariff reassignment objection to a decision JEN has made with regards to a network tariff reassignment either initiated by the customer or by JEN.

This form may be updated from time to time according to customer and business needs, but the current version will always be available in the ‘Documents’ section of JEN’s website.