



Part of Energy Queensland

6 February 2025

Mr Paul Harrigan
Acting General Manager, Network Pricing
Australian Energy Regulator
By email: [REDACTED]

Dear Mr Harrigan

Amendment to Energex's and Ergon Energy's revised 2025-30 Tariff Structure Statement

Thank you for the ongoing engagement by the AER as it relates to the revised 2025-30 Tariff Structure Statements (TSS) and our program to ensure a smooth implementation for customers upon commencement.

Energex and Ergon Energy propose the following three minor amendments to our revised 2025-30 TSS to ensure a smooth implementation of the program:

1. *Transitional arrangements for customers subject to a retailer initiated basic meter upgrade.*

The revised TSS for Energex and Ergon Energy allows customers, who have their basic meter replaced by a retailer initiated upgrade, to remain on the legacy basic meter tariff for a period of 12 months from the end of the financial year in which the meter upgrade occurred.

We propose a minor amendment to these assignment arrangements so that customers subject to a retailer initiated basic meter upgrade would be reassigned to the default smart meter tariffs 12 months after the date of the basic meter upgrade.

This change would remove the impact of concentrating a large volume of assignments on 1 July each year, noting market limitations which constrain the number of customers that can be reassigned on any one day. The change would also align Energy Queensland businesses with arrangements in other states.

2. *Residential and small business flexible load tariffs*

Residential and small business flexible load tariffs, to be introduced for the first time in the next regulatory control period, have the effect of offering customers a lower daily fixed charge where the customer's premise is subject to flexible load management either through a network device or dynamic control. These tariffs differ from traditional load control tariffs in that there is no separate metering and measurement of the device being managed.

During consultation on system design specifications there were potential issues identified with the integration of the flexible load connection arrangements and billing systems.

The proposed amendments to the TSS are aimed at ensuring the tariff can be implemented smoothly, as soon as systems and processes allow. These amendments include:

- revise the introduction of the residential and small business flexible load tariffs to 1 July 2028.
 - include a contingent tariff adjustment that would allow for an introduction of the tariff on potentially 1 July 2026 or 1 July 2027 through the annual pricing proposal process once system capability associated with the application of the tariffs is addressed.
3. *Contingent tariff adjustments for time of use windows to maintain peak, off-peak and shoulder period alignment.*

Our proposed amendment includes the addition of a provision for a contingent trigger to adapt TOU charging windows to maintain peak and off-peak alignment. This would be used if:

- data shows this is required to maintain the alignment of relevant peak, shoulder, and off-peak windows either due to peaks observed outside the peak window or lower demands observed outside the off-peak window.
- data demonstrates that changing windows would improve price signals to avoid energy use at peak times or incentivise more energy use at off-peak times.

The addition of a contingent trigger is in response to the previous amendment proposed in December 2024 which will result in all small business and residential customers moving to a time of use energy tariff as the default. These tariffs provide different signals to demand based tariffs which may result in inefficient outcomes for all customers if the peak signal is not sufficiently aligned to future network investment based on changes in customer usage.

Similarly, shoulder and off-peak windows may require alignment to customer usage patterns if, due to technological advances, usage changes in a way that increases the risk of network investment due to peaks outside the window or higher future prices due to greater avoidance of daytime network energy charges.

Changes required in the TSS to give effect to the amendment are included in the attachment below.

If you require any additional information in relation to these proposed amendments please contact Trudy Fraser, A/Executive General Manager Regulation on 0467 782 350.

Yours sincerely


Peter Scott
Chief Executive Officer
Energy Queensland

Attachment: Impact of proposed amendments to TSS

Our proposed amendment, if approved will result in the following changes to the Ergon Energy Network and Energex TSS.

Tariff assignment for retailer initiated basic meter upgrades

Proposed amendments should be reflected in the following changes to Section 4.2 of the TSS:

A **retailer-initiated** basic meter upgrade involves instances where the meter is upgraded for a reason other than a customer-initiated upgrade (described above). A retailer-initiated upgrade includes upgrades associated with the implementation of the AEMC Metering Review Final Report as well as an upgrade caused by a meter failure or end of life meter replacement.

In the case of a retailer initiated upgrade a customer will remain on the basic meter tariff for 12 months ~~following the end of the financial year in which~~ **after** the upgrade occurred. However, customers or their retailer may request to transfer to smart meter tariffs at any time following the upgrade (noting they will not be able to transfer back to a basic meter tariff if they do so).

All other options other than a new or upgraded connection or a customer-initiated upgrade are deemed to be retailer initiated. Where an upgrading customer has a secondary tariff, the customer remains assigned to the secondary tariffs post primary tariff reassignment.

Table 12 below outlines the SAC customer reassignment approach after a basic meter change, including reassignment dates.

Table 12 - Reassignment of existing SAC customers after basic meter change

Customer	Initiator	Existing Tariff	Tariff Assignment	Reassignment Date
SAC Small				
Residential	Customer	Residential Flat	Residential TOU Energy	Immediately after meter change
	Retailer	Residential Flat	Residential TOU Energy	12 months following end of financial year in which after meter change is made
Small Business	Customer	Small Business Flat	Small Business TOU Energy	Immediately after meter change
	Retailer	Small Business Flat	Small Business TOU Energy	12 months following end of financial year in which after meter change is made
SAC Large				
Large Business	Customer	Large Business Energy	Large TOU Demand & Energy	Immediately after meter change
	Retailer	Large Business Energy	Large TOU Demand & Energy	Immediately after meter change

Amendment to the introduction of flexible load tariffs

Propose amendments should be made to Section 3.3 of Ergon Energy Network's and Energex's TSS.

*From 1 July 2025 **2028** residential and small business (basic and smart meter) customers that meet certain eligibility criteria under the Queensland Electricity Connection Manual will have the option to access new secondary tariffs (residential and small business flexible load tariffs). These tariffs support connection arrangements associated with appliances subject to active device management but not subject to separate metering for tariff purposes. With these tariffs, customers are eligible to access the new tariffs without the need for a meter on the second element, enabling them to utilise their own solar generation for appliances under active device management and/or make use of lower priced off-peak rates.*

The following tables and figures require an additional note reflecting the fact that flexible load tariffs will be available from 1 July 2028.

- Table 7
- Figure 4
- Figure 5
- Figure 6
- Figure 7

The following section should be added to Section 3.3

Our TSS includes a contingent trigger for the introduction of the flexible load tariffs on 1 July 2026 or 1 July 2027 through the annual pricing proposal process if billing capability associated with the application of the tariff is established before 1 July 2028. Should an earlier transition eventuate, we will provide retailers and other market participants with at least six months' notice of the new transition date.

Section 1.1 requires amendment consistent with the above paragraph.

Amendment for an additional contingent trigger for time of use windows

The following section should be added to Section 1.1

- *Contingent trigger to adapt TOU charging windows to maintain peak and off-peak alignment. This would be used if:*
 - *data shows this is required to maintain the alignment of relevant peak, shoulder, and off-peak windows either due to peaks observed outside the peak window or lower demands observed outside the off-peak window.*
 - *data demonstrates that changing windows would improve price signals to avoid energy use at peak times or incentivise more energy use at off-peak times.*