

FACT SHEET: TAKE CHARGE OF YOUR ENERGY COSTS

Across Australia the way customers are using energy is changing. This affects TasNetwork's network services and costs. More and more households have solar; battery storage is on the up; electric cars are no longer a novelty. We're responding to these advances with the release of some new network tariffs to help us all get the best value from the network.

These new tariffs will offer fairer prices and long-term customer benefits. They'll also help you to better understand your electricity usage and how it plays a part in the bigger picture. Network charges make up just under half of your electricity bill.

Having an understanding of how our new tariffs work will help empower you to take charge of a key part of your energy costs.

The low down

This document provides an overview of some of the network tariffs we offer retailers for their residential customers. It outlines how some these tariffs are changing. It also introduces some of our new tariffs.

Our existing network tariffs include:

TAS31 – for standard power supply

TAS41 – for heating and hot water

Our new network tariffs include:

TAS93 – for standard power supply, including heating and hot water, charged according to **time of use**.

TAS87 – for standard power supply, including heating and hot water, charged according to **demand** and **time of use**.

TAS97 – for standard power supply, including heating and hot water, charged according to **demand** and **time of use**, and rewards customers who have invested in **energy technologies**.

Take charge, be rewarded

Our new demand-based tariffs, like TAS87 and TAS97, will be available at a discounted rate up until July 2024.

We're rewarding people for trying out our new network tariffs as we believe they're going to offer the fairest outcomes for our customers and the best outcomes for our network.

What's a network tariff?

Network tariffs consist of a **fixed** and **variable** charge.

The **fixed** charge is a little bit like a subscription fee. It's a daily charge that provides access to the benefits and security of being connected to the grid.

The **variable** charge reflects electricity usage. Traditionally our variable charges have been based on how much electricity you use. Our newer tariffs are more advanced. Their variable charges take into account when you use electricity and the demand this use places on the network.

We pass on network tariff charges to the retailer, who then passes them on to you as part of a retail tariff.

What is a retail tariff?

Customers can see their retail tariffs on their electricity bill. These tariffs reflect how each retailer packages its input costs for particular customers. Input costs include network tariffs, energy costs, renewable energy target costs, and the cost of providing retail services. In Tasmania the majority of retail tariffs are approved by the Office of the Tasmanian Economic Regulator.

We know there's a lot of information contained in the next few pages and, quite frankly, that it may not be the most thrilling read. But it's worth sticking with, really!

Understanding things like time of use and demand-based tariffs can enable you to make better choices with your energy use and, in turn, to save.

Meet our tariffs, old and new

Residential Low Voltage General (TAS31) and Uncontrolled Low Voltage Heating (TAS41)

Most Tasmanian households currently pay for their network charges using TasNetworks' traditional pricing structure. This consists of two tariffs: our standard "light and power" tariff (TAS31) and our discounted tariff applied to heating and hot water (TAS41). Both tariffs include a daily service charge and variable charges based on how much electricity you use.

TAS31 and TAS41 will continue to be available. Over time, though, the difference in prices between these two tariffs will reduce.

Time-of-Use tariffs

Residential Low Voltage Time-of-Use tariff (TAS93)

Like our traditional tariffs, TAS93 is calculated according to how much energy you use, in addition to your daily service charge. With this tariff, though, time of use is also taken into account. This means that the network charges associated with power used in off-peak periods, which includes the whole weekend, are priced at a lower rate than those associated with power used in peak periods. In short, on TAS93 discounted network charges are available in off-peak periods.



Figure 1: TAS93 Consumption based time of use tariff structure for residential customers

TAS93 offers a single tariff to calculate the network charges for all of your energy use (Fig. 1).

It will appeal to customers who want to simplify and exercise greater control over their electricity bills without necessarily reducing how much energy they use.

TAS93 is now available through your electricity retailer.

Why does time make a difference?

To understand how time of use affects your energy charges, it helps to think about holidays (we know, we know, reading this is far from a holiday!). When you're booking a trip you might have noticed how prices can be lower during the off-season, like during term time. Similarly, prices go up during peak season, such as during the Christmas period, when most people have time off work and are keen to get out and enjoy the warm weather.

Electricity's no different.

It has a peak period, when lots of other people are at home at the same time using electricity. (i.e., running appliances, heating, cooking, etc.). Electricity also has an off-peak period, when – you guessed it – there's fewer people at home at the same time and/or there's fewer people using electricity at the same time (i.e., when most people are at work in the middle of the day and when everyone's asleep).

On a time-of-use tariff it's more expensive to use electricity in peak periods.

We track peak and off-peak periods within a 24-hour cycle and they're not very hard to remember. Peak periods occur in the morning and at night – when most people get up (between 7am and 10am) and when most people get home from work and are busy at home (between 4pm and 9pm).



Because everyone does different things in their time off weekends are counted as off-peak periods.

Demand-based tariffs

Residential Time-of-Use Demand (TAS87)

TAS87 is a demand-based tariff. This means that it takes account of the maximum demand your energy use places on the network at a given time. Like TAS93, TAS87 takes account of time of use. It uses lower network charges to encourage customers to use electricity in off-peak periods. TAS87 also, though, encourages customers to think about how much electricity they are using at any one time.

TAS87 offers a single tariff that's made up of two demand charges (peak and off peak), which are variable, in addition to a daily service charge, which is fixed (Fig. 2).



Figure 2: Demand based time of use tariff structure for residential customers

This tariff will appeal to customers who want to exercise greater control over their electricity bills and who are ready to rethink when and how they use electricity.

The Australian Electricity Regulator (AER) has approved TAS87. Electricity retailers have not yet made it available to residential customers.

Customers interested in this tariff are encouraged to contact their electricity retailer.

Residential DER Time-of-Use Tariff (TAS97)

This tariff is for customers who have things like solar panels and battery storage ('distributed energy resources', or DER, in energy-network speak).

The structure of TAS97 is exactly the same as TAS87. It is calculated according to two demand charges (peak and off-peak), which are variable, in addition to a daily service charge, which is fixed. The DER tariff also encourages customers to draw from the network in off-peak periods and to use their energy technologies such as solar panels and battery storage in peak periods.

The DER tariff is currently under consideration by the AER. Its proposed release date is 1 December 2018, to coincide with the end of the Tasmanian Government's Transitional Feed-In Tariff on 31 December 2018. If approved, it will be up to electricity retailers to make the DER tariff available to residential customers through a retail tariff. Customers interested in this tariff are encouraged to contact their retailer.

What do we mean by demand?

Demand refers to how much energy you use at any one time. A household's maximum demand typically occurs when they use a number of large appliances simultaneously during peak periods. For instance, while the oven's on to cook dinner, they might also run the dishwasher and be watching the news on TV.

We measure maximum demand as an average of the four highest peak and off-peak demand readings within the monthly billing period. Measuring demand in this way protects customers from an unusually high demand charge that might occur as a result of a one-off, abnormal event.

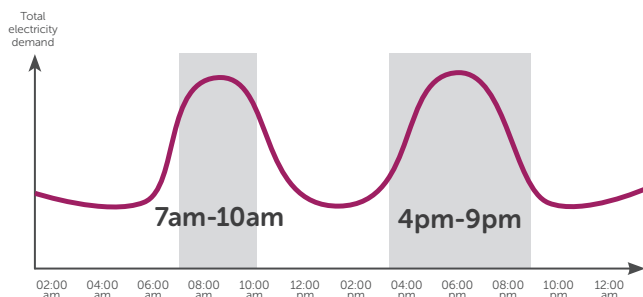


Figure 3: Peak and off-Peak Periods (weekends are off-peak)

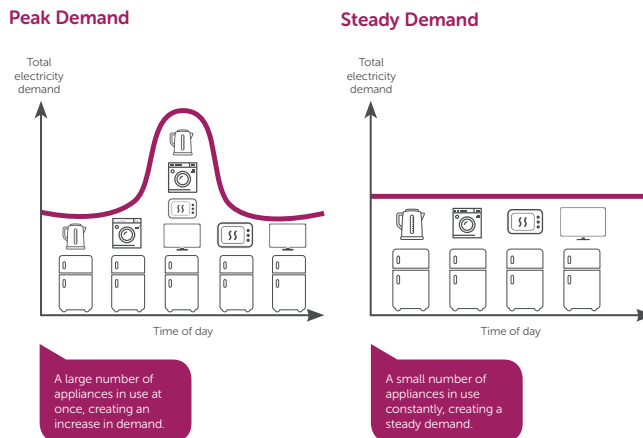


Figure 4: High demand versus evenly spread demand

How does demand affect my charges?

In peak periods, lots of customers use lots of electricity at the same time. This places a high demand on the network. By contrast, in off-peak periods customers use a smaller amount of electricity and there is a lower demand on the network.

We build, replace and maintain the network with enough capacity to meet the highest periods of demand. This ensures that the network is able to keep everyone's lights on, dinner cooking and heater on. Of course, replacing and upgrading the network's capacity costs money.

By encouraging customers to spread out their electricity use over the course of a day, the overall demand placed on the network will be lower. By extension, your network charges will also be kept lower over time. This benefits all of our customers.

A part of the bigger picture!

Our new network tariffs take account of a household's electricity usage in relation to the rest of our customers electricity usage. In other words, the new tariffs consider how you fit in to the bigger picture.

This means that under our new tariffs your network charges will more fairly reflect the demand your electricity usage places on the network.

Our new tariffs also encourage a more even spread of energy use overall. By keeping high periods of demand on the network at lower level, the new tariffs are anticipated to also keep your network charges lower over time.

If you would like to know more about how demand affects network charges and your role in the bigger picture, check out this neat little [video](#).

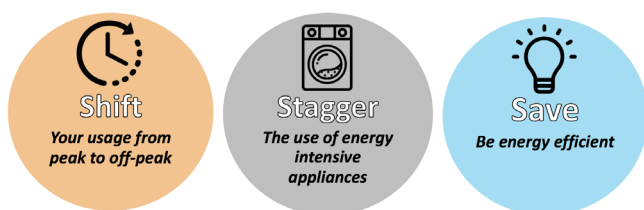
Savings add up over time

So, how can I take charge of my energy costs?

You know how the saying goes - look after your pennies and the pounds will look after themselves.

Reducing your energy costs on our new tariffs is no different. Small changes to how and when you use electricity will add up to savings over time. And the changes aren't hard: just think in terms of **shift**, **stagger** and **save**.

Shift your appliance use to off-peak periods, stagger when you use them, and save energy with energy-efficient appliances.



You can make further savings if you have solar, battery storage and battery storage devices (like electric vehicles) and manage when you take energy from the network. It's simple: draw from your batteries during peak periods then charge them from the grid during off-peak periods.

Do I have to do anything now?

The short answer? No!

Our new network tariffs are opt-in only. This means that in order to make the switch you need to get in touch with your energy retailer.

Be rewarded!

Keep in mind that it's a great time to switch!

We are rewarding those who would like give one of our new demand-based tariffs a go. TAS87 and TAS97 will be available to retailers at a discounted rate up until July 2024.

We've also made it easy for you to switch back to your previous tariff arrangement if you change your mind.

So, how do I try these tariffs out?

If you'd like to try out one of our new network tariffs, contact your energy retailer.

Meet Peter, Paul and Mary

They've switched to one of the new tariffs and have shifted and staggered their electricity use in order to cut down their energy costs.

Peter works full time. He's started setting the timer on his washing machine so that it comes on in the middle of the night, ready for him to hang out in the morning and has shifted to turning his dishwasher on when he goes to bed, rather than straight after dinner. He also programs his heater to turn on at 6.30 am, making his house toasty for when he gets up at 7am. Peter's careful not to have too many appliances running at once: he avoids heating up dinner in the microwave and boiling the kettle at the same time; he's also careful to turn off his computer before he sits down to watch the latest episode of The Bachelor. These changes are saving Peter around 25c/day.

Paul is retired. This means he can delay his shower to just before 10am so that his hot water comes on when it's off peak. Like Peter Paul staggers his appliance use when possible. He's also cooking more with his slow cooker, which runs during the day and saves him from turning on the oven at peak periods. Most significantly, over winter Paul programs his heat pump to come on at 3.30 pm so that his house is already warm before the peak period has begun. Doing all this saves Paul approximately up to 80c/day.

Mary, like Peter, works full time. She's also changed up her appliance use, and takes particular advantage of off-peak weekends by doing her washing on Sundays. This means that when she really needs to use her dryer, she's doing so at the cheapest time. Mary also has a storage battery hooked up to some solar panels. A smart cookie, she's programmed the battery to charge overnight, when it's off peak and when she's not using any other electric appliances. Mary saves about 40c/day.

Note: Indicative savings have been estimated based on a number of assumptions and may vary greatly between customers.

How do I find out more?

If you're super keen you can read our full Tariff Structure Statement, which will be available on the TasNetworks website from February 2018.

Otherwise, get in touch!

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