

# Policy and Regulatory Working Group (**PRWG**)

## 2024-29 Distribution Pricing Strategy

1 July 2021



Agenda	Stream 1 – Policy and Regulatory Working Group		Duration	
Introduction	12.25pm	Introduction and workshop purpose	5 minutes	
	12.30pm	Pricing reform check-in	5 minutes	
	12.35pm	Icebreaker <ul style="list-style-type: none"> <li>- What is the first thing that comes to mind when we say ‘DER’?</li> <li>- What technologies are customers likely to take-up that will impact the way we use electricity?</li> </ul>	10 minutes	
Engagement Activity ➤ Lifecycle of a network tariff	12.45pm	Analysis presentation / discussion – ‘the why’	15 minutes	
	1.00pm	Lifecycle of a network tariff – introduction <ul style="list-style-type: none"> <li>- Whole of room discussion</li> </ul>	10 minutes	
	1.10pm	10 minute break		
	1.20pm	Lifecycle of a network tariff – maturity / obsolete <ul style="list-style-type: none"> <li>- Small group discussion</li> </ul>	15 minutes	
	1.35pm	Lifecycle of a network tariff – Tariff design <ul style="list-style-type: none"> <li>- Tariff trial principles, individuals vote</li> </ul>	10 minutes	
	1.45pm	Lifecycle of a network tariff – Tariff design <ul style="list-style-type: none"> <li>- What do we want to test? – small groups</li> </ul>	10 minutes	
Engagement Activity ➤ Embedded Networks	1.55pm	Embedded Network – designing a new tariff <ul style="list-style-type: none"> <li>- Value of the connection (10 min)</li> <li>- Charging structures and components (5 min)</li> <li>- Designing a network tariff (15 min)</li> </ul>	30 minutes	
	2.25pm	Close and next steps	5 minutes	

# Purpose and objective

## Purpose

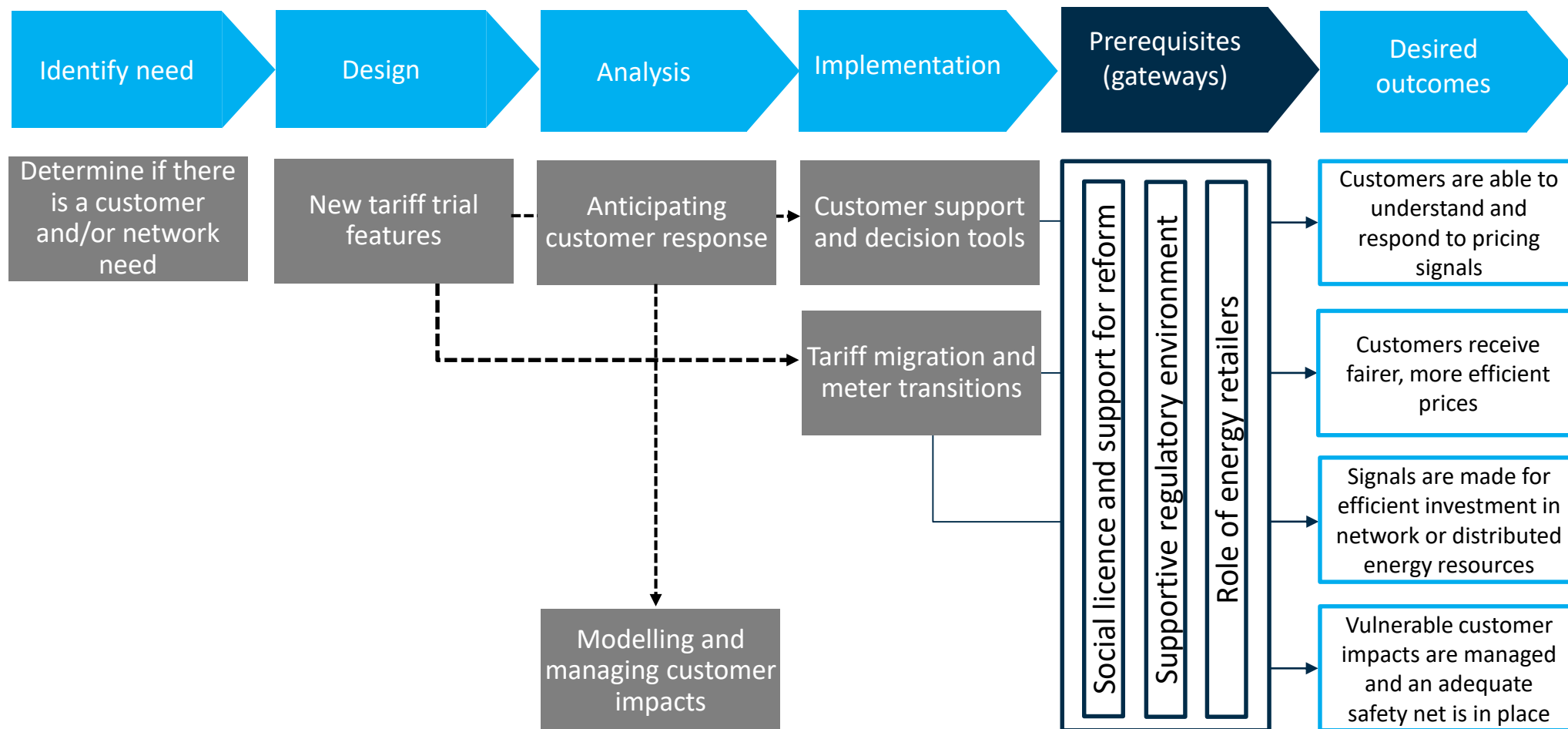
The purpose of the workshop is to:

- Develop a collective understanding of distributed energy resources (**DER**) and embedded networks (**EN**),
- Understand the impacts currently being observed on TasNetworks' network,
- Identify the opportunities in the Tasmanian networks now and into the future, and
- Determine the TasNetworks' approach towards investigating and potentially implementing tariffs to support innovation and fair use of the network.

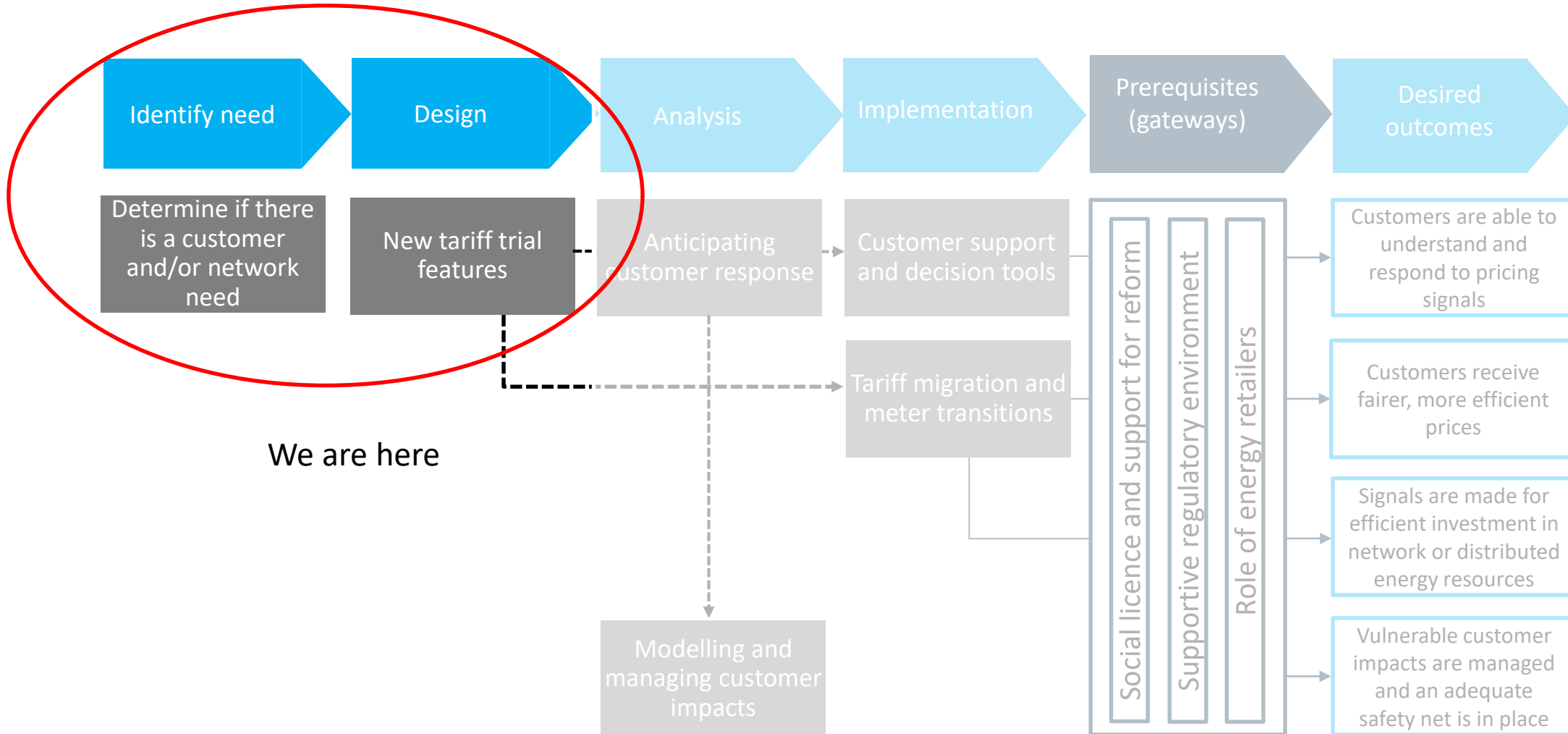
## Objective

- The objective of today's workshop is to demonstrate the trends TasNetworks is seeing on the network and understand our customer preferences of adapting network pricing to facilitate increasing levels of DER technology and embedded networks.

# Interaction between elements of successful pricing reform



# Interaction between elements of successful pricing reform



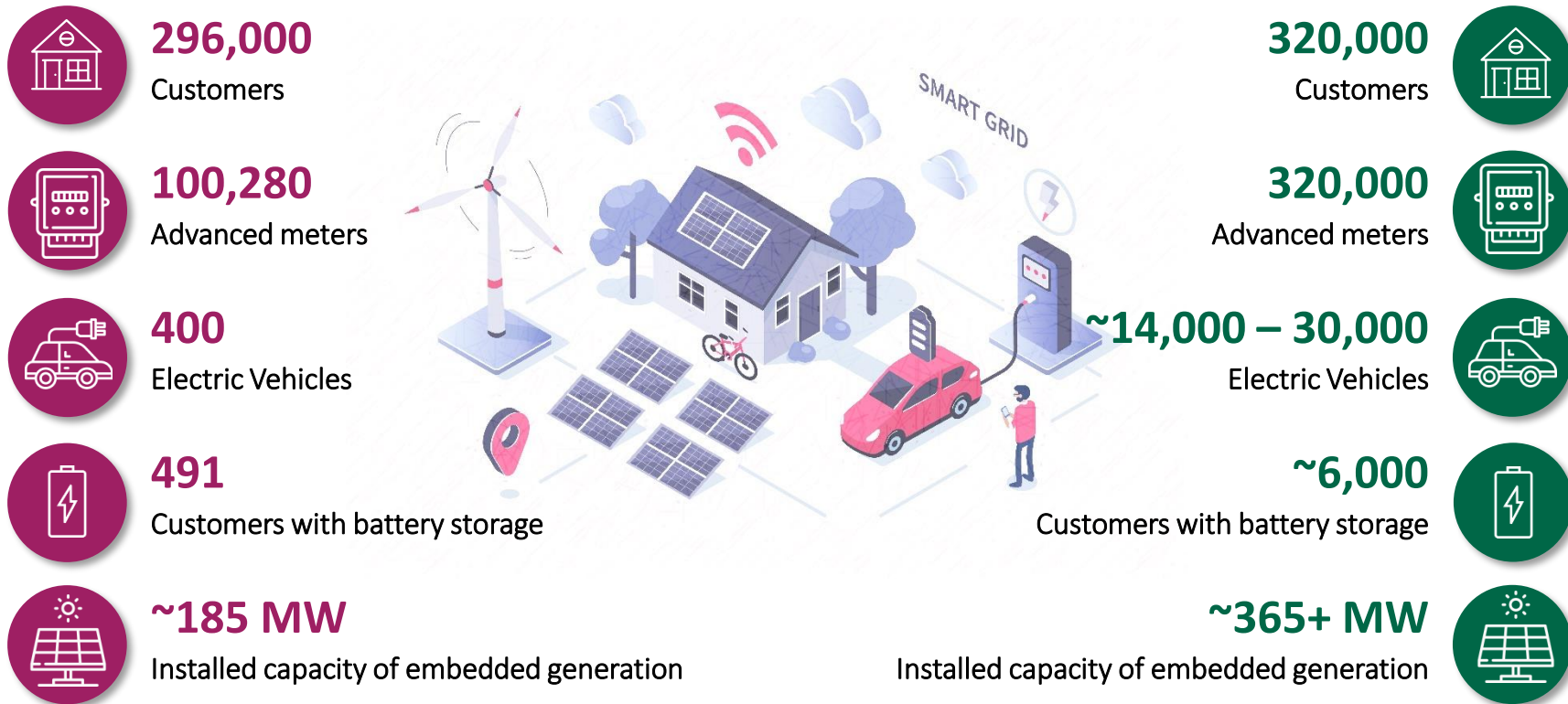
- What do you think of when we say “Distributed Energy Resources”?
- What technologies are customers likely to take-up that will impact the way we use electricity?

# Why are we talking about this?

## Our Future Distribution System

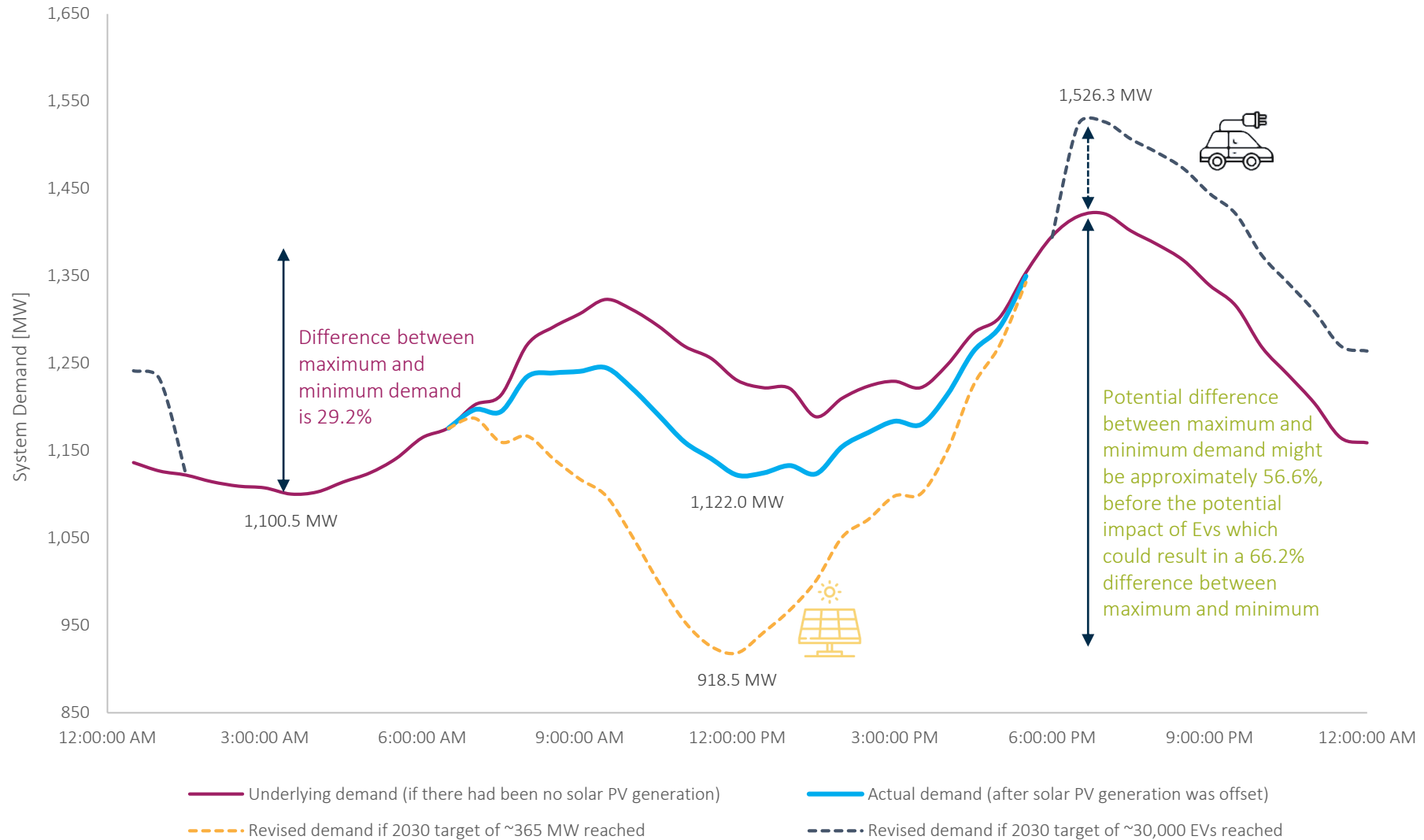
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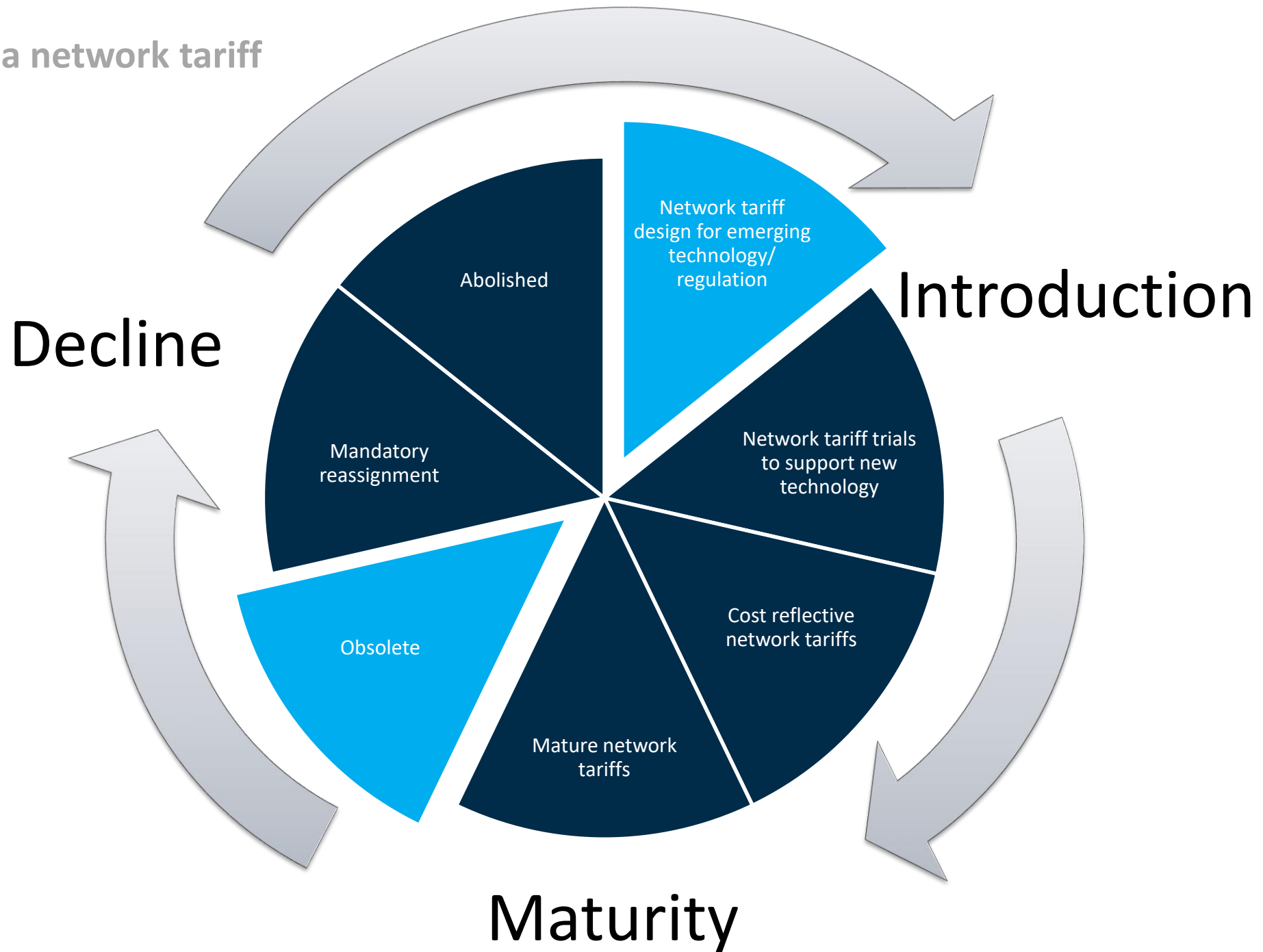
# What might this do?

Tasmanian load demand and PV penetration  
Sunday 13 September 2020





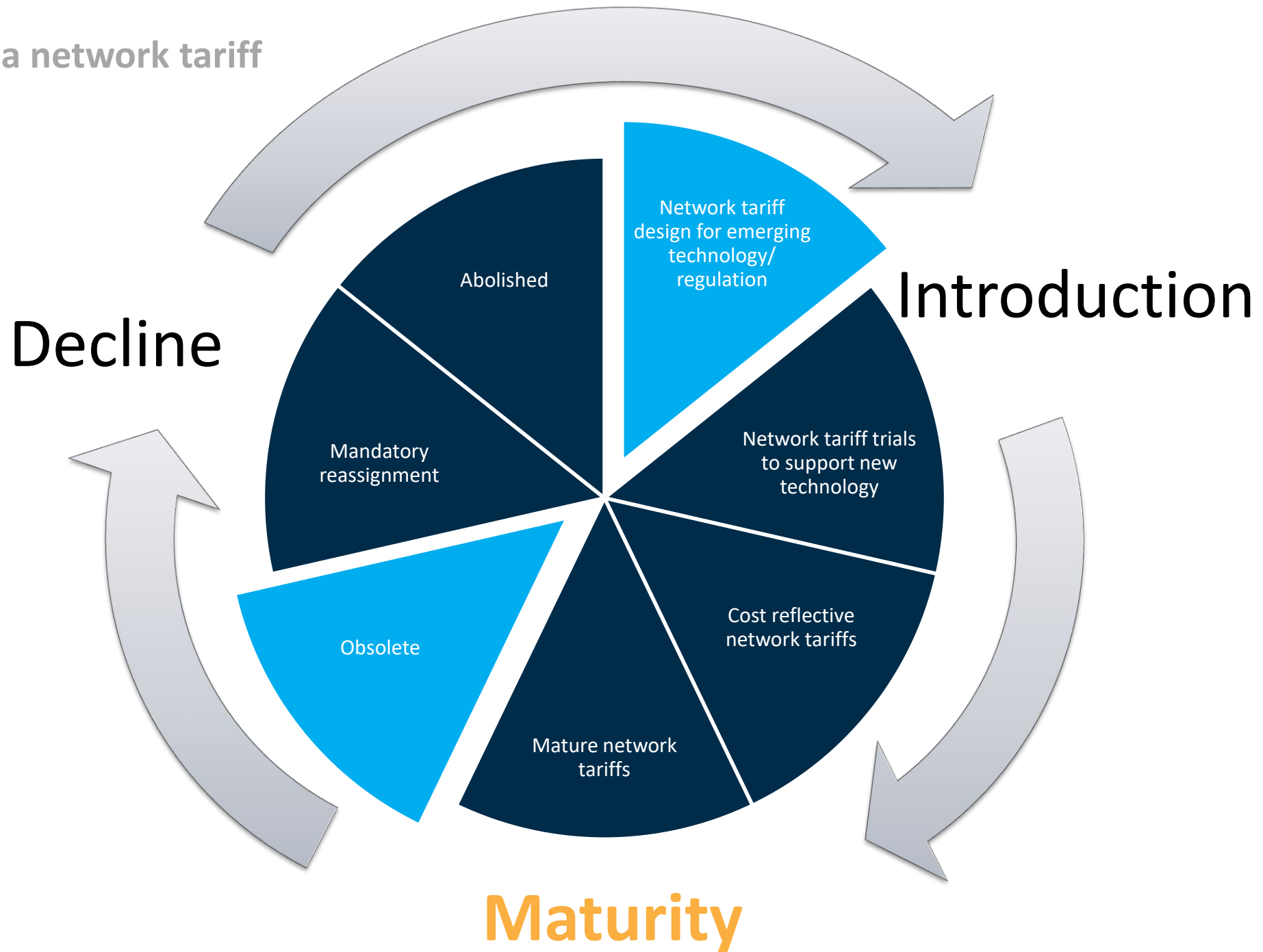
# Lifecycle of a network tariff





**Break**

# Lifecycle of a network tariff

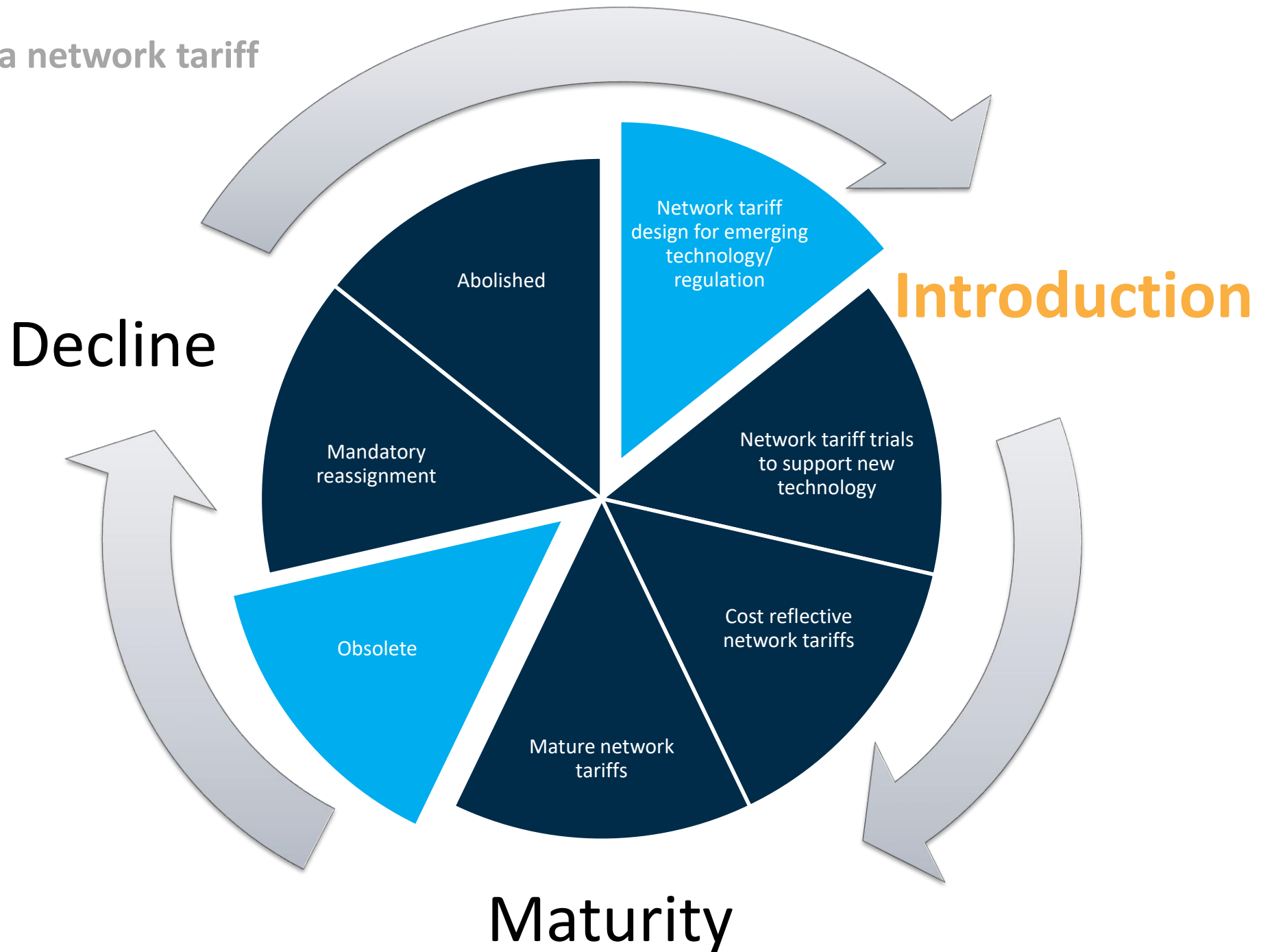


## What does obsolete mean for us?

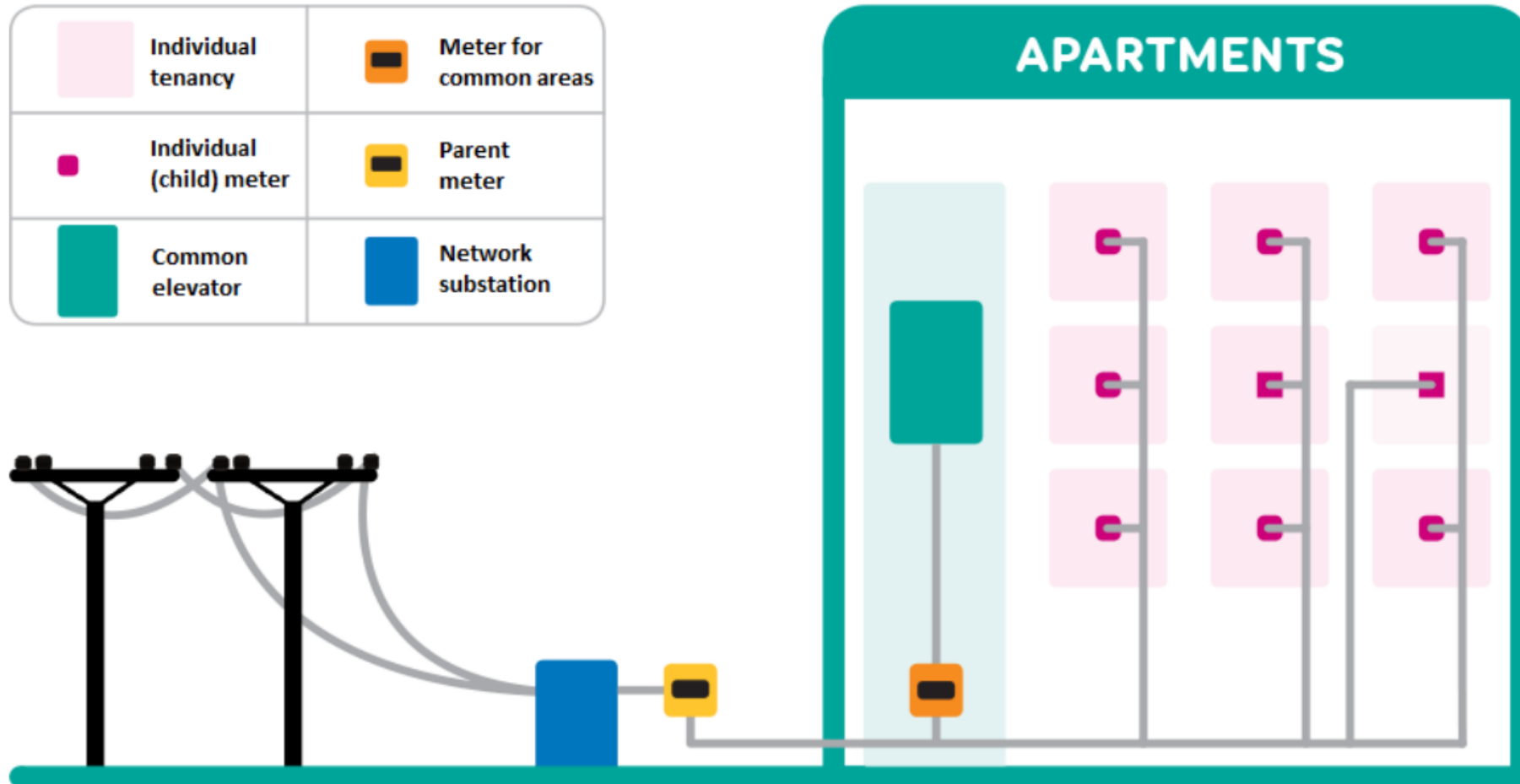
Obsolete means not increasing the current number of customers on that tariff.

- What are the triggers?
- What customer protections are required?

# Lifecycle of a network tariff



# Designing an embedded network tariff



# Future tariff options – Embedded Networks

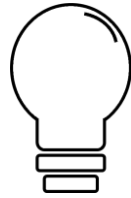
## Charging structures

### Fixed



Ability to receive energy.  
Cost per day for being connected to the network.  
Bulk fixed charge seeks to reflect the number of child meters.

### Consumption



Amount of energy used.  
Cost per unit of energy consumed.

### Demand



Rate energy is used.  
Maximum demand at a point in time.

### Capacity



A capacity charge seeks to reflect the costs associated with providing network capacity required by a customer on a long term basis.





Thank you.

Questions and comments.

