Fact Sheet:

TasNetworks | Powering a Bright Future

Embedded networks network tariffs

Issue Date: December 2023

Effective for the 2024-2029 Regulatory Control Period (1 July 2024 – 30 June 2029)

What is an embedded network?

Embedded networks are private networks serving multiple premises and are located within, and connected to, our distribution network through a single connection point.

Embedded network operators are usually commercial ventures that seek to aggregate multiple customers downstream of a single grid connection (or parent meter). This means that embedded network operators take electricity from the distribution network and on-sell it to the members of the embedded network.

Sites that might lend themselves to being set up as embedded networks include shopping centres, retirement villages, apartment complexes and caravan parks. For example, in the case of a shopping centre being set up as an embedded network, the shopping centre owner or managing agent may be the embedded network operator and the individual shops within the shopping centre are customers of the embedded network.

Figure 1 showcases the key differences between standard and embedded networks:

- an embedded network is supplied through a single connection "parent meter";
- TasNetworks does not know the connection arrangements beyond the parent meter; and
- all electricity that flows through the parent meter is purchased by the embedded network operator and on-sold to its customers within the embedded network.

Network tariffs for embedded networks

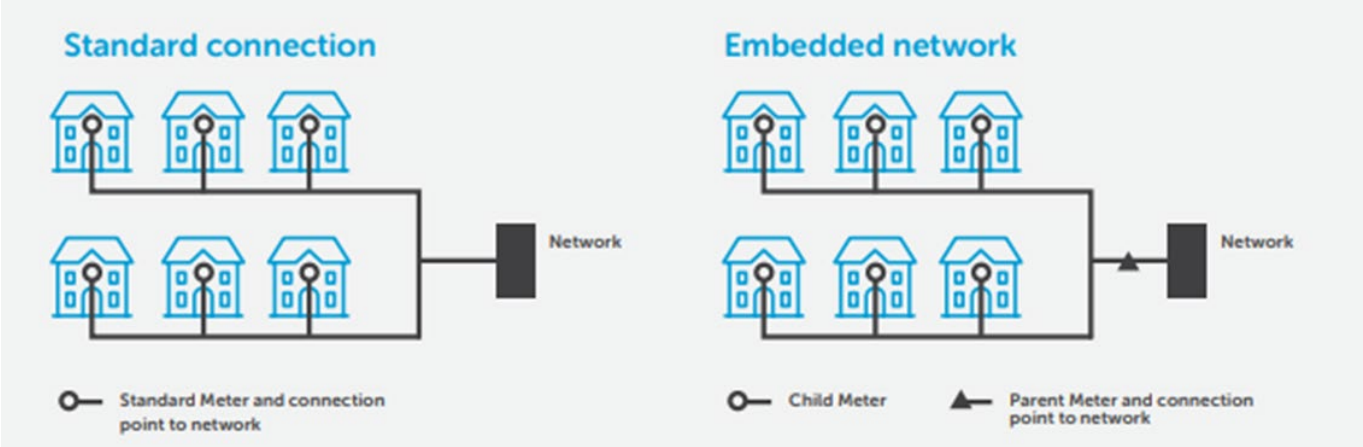
TasNetworks introduced new embedded network tariffs commencing on 1 July 2024.

In designing our new network tariffs, TasNetworks considered the diversity of existing and prospective embedded network sites.

A network tariff specific to embedded network operators is:

- a means of ensuring that embedded networks benefit from the costs TasNetworks avoids by supplying an embedded network through a single connection point, rather than each customer within the embedded network having their own connection, and

Figure 1. Comparison of an embedded network connection and a standard network connection



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- the need to ensure embedded networks contribute towards the cost of the network that reflects the characteristics of their load and their connection to the network.

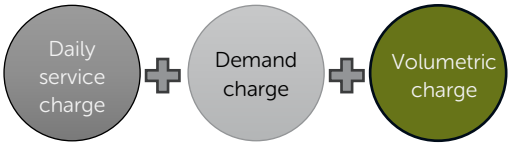
Design of the embedded network tariff

The embedded network tariff has three components (Figure 2):

- **Service charge** - a tiered daily charge based on the network capacity[1] of an embedded network at the embedded network's connection point to the distribution network.
- **Demand charge** - based on the maximum demand an embedded network places on the distribution network during peak times (measured in half-hourly intervals)
- **Consumption charge** - a volumetric charge based on the energy consumed by an embedded network in its entirety (and delivered to the embedded network via the distribution network).

The network capacity charge reflects the aggregate demand the embedded network operator's customers as a way of ensuring that embedded networks make cost reflective contributions towards the cost of the network.

Figure 2. Components of the network tariff for embedded networks



The service charge (Figure 4) will be tiered to recognise the diversity of embedded networks, where there are significant differences in the connection capacity and the network capability required to support each embedded network (with expected maximum demand being the principal drivers of that capacity).

Figure 3. Capacity tiers for embedded networks

	Capacity allowance	
	Low voltage	High voltage
Tier 1	0-100 kVA [0-140 Amps]	0-750 kVA [0-1,000 Amps]
Tier 2	100-300 kVA [140-400 Amps]	750+ kVA [1,000+ Amps]
Tier 3	300-750 kVA [400-1,000 Amps]	n/a
Tier 4	750+ kVA [1,000 Amps+]	n/a

Assignment to embedded network tariffs

It is not mandatory for existing embedded networks to move to the new embedded network tariff. Existing embedded networks will be permitted to remain on the network tariff they are assigned to as at 30 June 2024.

However, if existing embedded network customers choose to change network tariffs after 30 June 2024, their only option will be to opt-in to the embedded network tariff which is

[1] TasNetworks will undertake a review of the demand for embedded networks each year to ensure customers are assigned to the correct service charge tier. This will ensure that the service charge reflects changes in the load or connection characteristics of an embedded network that might arise, for example, as a result of growth within the embedded network or changes in the embedded networks' reliance on the distribution network due to the deployment of CER within the embedded network

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most suited to their network connection, and once assigned to an embedded network tariff, an embedded network may not revert to a non-embedded network tariff.

While most embedded networks are served by a single connection to the distribution network, some larger sites, such as a large shopping centre, may potentially have multiple connections to the distribution network. Under these circumstances, each connection will need to be assigned to an embedded network tariff, meaning that the capacity charge, as well as the volumetric and demand-based charges, will apply to the multiple connections.

For more information

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