Fact Sheet:

TasNetworks | Powering a Bright Future

2024-2029 Network tariffs for residential customers

Issue Date: December 2023

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

The electricity market in Australia is changing rapidly. The uptake of solar panels, electric vehicles, and battery storage, continues to grow. On top of this, decarbonisation of the electricity grid to enable net zero carbon emissions in Australia requires significant change.

Residential customers in Tasmania

There are over 250,000 households in Tasmania connected to the TasNetworks' distribution network. Our residential customers rely on a safe, consistent, and cost-effective supply of energy to support their lives at home.

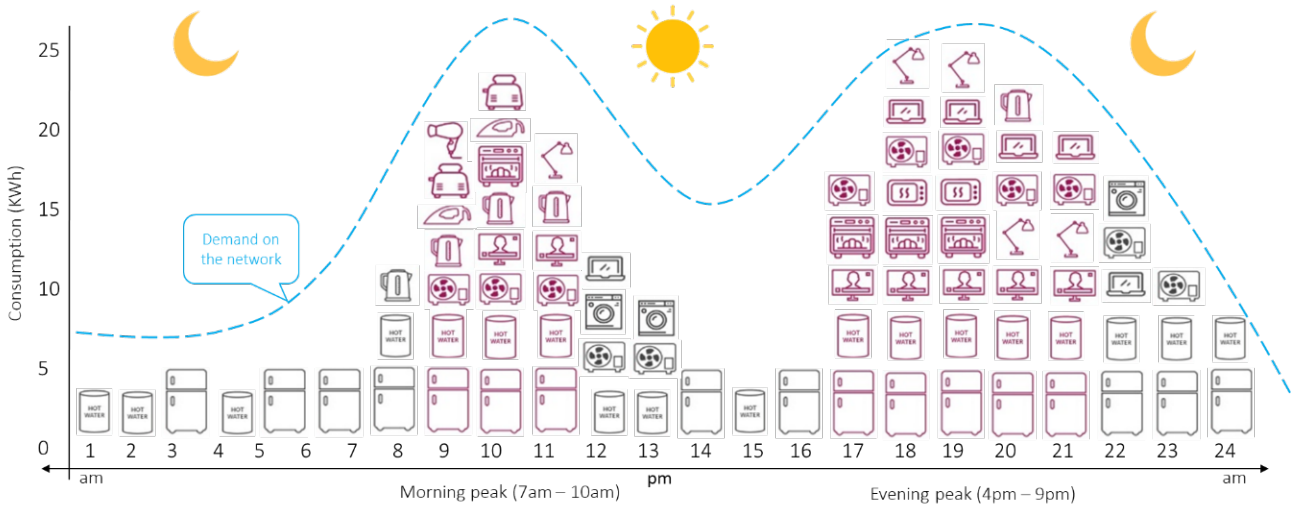
To provide the safe and reliable source of electricity for our customers we build, replace, and maintain the network with enough capacity to meet the highest periods of demand. Peak demand indicates that many customers are using the network at the same time. Figure 1 shows how energy use can peak during certain times of the day.

One mechanism to manage peak demand is to implement cost reflective network tariffs. These network tariffs incentivise customers to manage their energy use during periods of peak demand by encouraging customers to spread their electricity use over the course of a day.

What is a cost reflective network tariff?

Cost reflective network tariffs, (or time of use tariffs) provide households the opportunity to determine how much electricity they use and when they use it, leading to more efficient network utilisation and, over time, reducing overall network costs.

Figure 1. How our everyday usage contributes to short peaks on the network



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Time of use network tariffs provide a different price for electricity depending on the time of day or day of the week. It ensures customers pay their fair share for the electricity they use by signalling the true cost of supplying electricity. Making customers aware of the impact of their use of electricity encourages them to use electricity outside of peak times when possible to drive efficient network utilisation.

Why is efficient network usage important?

Growth in peak demand is the main driver of network costs. Efficient use of the network by reducing peak demand will lessen the need to upgrade our network in the future. Placing less stress on the network may also extend the service lives of some of our assets, deferring their replacement. Together with the reduction in the need to upgrade our network's capacity, a decrease in expenditure on asset replacement has the potential to reduce average network charges for all customers in the longer term.

What network tariffs are available for residential customers?

There are several network tariffs that are available for our residential customers:

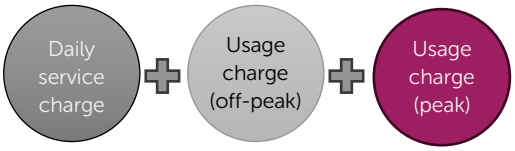
- Residential time of use consumption network tariff (TAS93). This is our default network tariff that residential customers are assigned.
- Residential time of use demand network tariff (TAS87)
- Residential consumer energy resources network tariff (TAS97)

In addition, there are two legacy residential network tariffs for general light and power (TAS31) and for heating and hot water (TAS41). These are flat rate network tariffs i.e., customers are charged the same rate irrespective of the time energy is consumed. This network tariff is obsolete and is unavailable to new connecting customers or customers who choose to change their connection[1].

Residential time of use consumption network tariff (TAS93)

This network tariff is our default network tariff for residential customers who are connecting to the network for the first time. Figure 2 shows the components of the network tariff. The usage charge varies according to the time-of-day energy is consumed and refers to customers' total consumption (Figure 3), note that weekends (Saturday and Sunday) are off-peak.

Figure 2. Components of the residential time of use, consumption-based network tariff (TAS93)



[1] Refer to Network Tariff Reform factsheet

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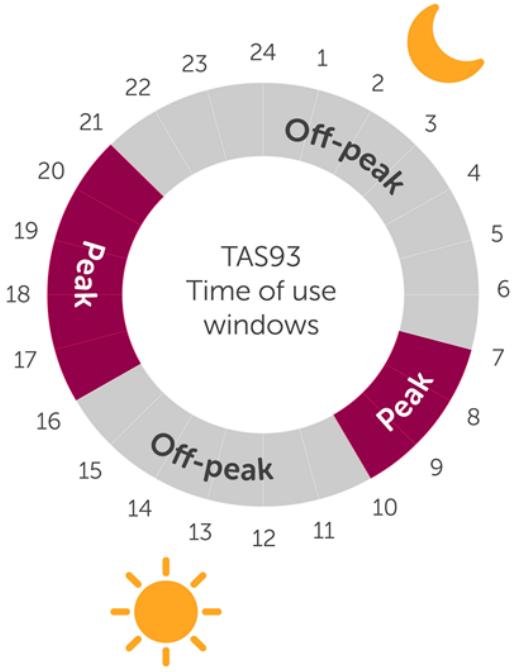
Figure 3. TAS93 weekday time of use windows

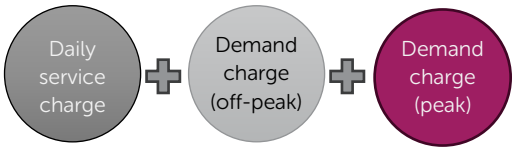


Residential time of use demand network tariffs (TAS87)

These demand-based time of use network tariffs are available on an opt-in basis.

These tariffs have a daily service charge and charges for peak and off-peak demand (Figure 4).

Figure 4. Components of the residential time of use, demand-based network tariff (TAS87)



Demand is the highest momentary rate of consumption for a household. If all the equipment in your home is running at maximum capacity, it's likely that demand is at its highest.

Figure 5. Time of use windows for residential demand-based network tariffs (TAS87)

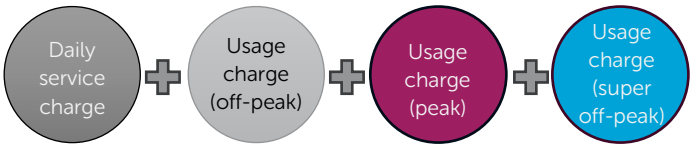
Tariff rate	Time periods (AEST)	
Peak	Weekdays (Mon-Fri)	7am-10am and 4pm-9pm
Off-peak	Weekdays (Mon-Fri)	All times not covered above
	Weekends (Sat and Sun)	All day

Residential time of use consumer energy resources (TAS97)

The residential consumer energy resources (**CER**) network tariff (TAS97) provides a cost reflective tariff that may be best suited to customers who own an EV and/or other CER, such as household batteries or solar PV.

The residential CER network tariff allows users to capitalise on their investments by utilising the peak, off-peak and a new super off-peak period to maximise the use of batteries, generation, and EV charging (Figure 6).

Figure 6. Components of the residential time of use consumer energy resources network tariff (TAS97)



As can be seen in Figure 7, the super off-peak period starts at midnight, and lasts until 4am. Time of use windows are summarised in Figure 8.

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Figure 7. TAS97 weekday time of use windows

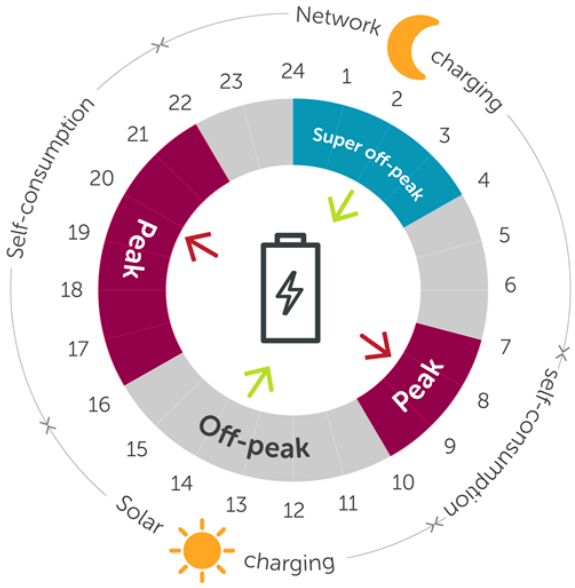

Figure 8. Time of use windows for residential consumer energy resources (TAS97)

Tariff rate	Time periods (AEST)	
Peak	Weekdays (Mon-Fri)	7am-10am and 4pm-10pm
Super off-peak	Weekdays (Mon-Fri) Weekends (Sat and Sun)	Midnight – 4am
Off-peak	Weekdays (Mon-Fri)	All times not covered above
	Weekends (Sat and Sun)	All day

TAS97 incorporates a daily demand threshold where an excess demand charge will apply if demand exceeds 8.5 kW anytime.

Further information on TAS97 can be found on the Residential Customer Energy Resource Tariff fact sheet.

Residential general light and power network tariff (TAS31)

The general light and power (TAS31) network tariff is a flat rate tariff which is now obsolete.[2] Flat rate network tariffs charge the same rate at all times.

Residential customers on the TAS31 network tariff may also choose to take up a secondary network tariff – heating and hot water network tariff (TAS41). Consistent with TAS31, the heating and hot water network tariff is a flat rate network tariff and was made obsolete on 30 June 2024.

How can I reduce my bills?

Residential customers may be able to reduce their electricity charges by using time of use network tariffs. Depending on individual lifestyles, some customers may benefit from our cost reflective network tariffs by shifting their energy use from peak periods. This could involve moving energy intensive activities, such as charging EVs to off-peak or super off-peak times.

Households that can generate their own electricity from solar will find that it is cost effective in the long term if they consume energy during sunny hours of the day. Additionally, a battery can help by using your own energy during peak periods to avoid drawing from the network at the most expensive times.

[2] Refer to Network Tariff Reform fact sheet

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Some households may be able to further reduce their energy consumption by improving the energy efficiency within their homes, such as using LED lights and replacing old inefficient appliances.

TasNetworks encourages customers to talk to their retailer to ensure they are on the right network tariff for their home.

For more information

To find out more visit our website:

https://www.tasnetworks.com.au/Poles-and-wires/Pricing/Our-prices

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