

Agricultural Tariff Trial Group ②

Tariff 24 Factsheet

Tariff 24 is a seasonal time of use demand tariff for small business customers. It provides a continuous supply of electricity at a flat rate per kilowatt hour.

This factsheet explains what Tariff 24 is and some of its structural features that you may need to consider when reviewing your tariff options. It also provides some guidance on which businesses might be suited to move to the tariff.

What is Tariff 24?

Tariff 24 is a seasonal time of use demand tariff for small business customers. It provides a continuous supply of electricity at a flat rate per kilowatt hour (kWh).

It also has demand charges, based on your average kilowatt (kW) demand for electricity between 10am and 8pm weekdays for your four highest demand days each month. Outside the summer peak period, the minimum chargeable demand under this tariff is 3kW.

Summer: December to February	incl. GST
Demand charge – dollars per kW of chargeable demand per month	93.284
All usage – cents per kWh	17.929
Supply charge – cents per day	85.851
Non-summer: March to November	incl. GST
Demand charge – dollars per kW of chargeable demand per month Minimum 3kW	15.329
All usage – cents per kWh	17.929
Supply charge – cents per day	85.851

New rates for all Ergon Energy Retail customers will come into effect from 1 July 2017.

Is my businesses suited to Tariff 24?

Tariff 24 would best suited to business that do not have high demand for electricity between 10am and 8pm on weekdays, particularly during the summer months when the demand charge is highest.

It may suit those who can make changes to shift electricity demand to those times when demand charges do not apply. This includes all day on weekends.

Those businesses that operate mostly in the non-summer months (March to November) may also be suited.

Usage charges under Tariff 24 are very low compared with other business tariffs. Businesses may like to consider making changes to their operations to make use of the Tariff 24 pricing structure.

Examples of changes that could be implemented to maximise the benefit of moving to Tariff 24 include:

- Ensuring that major equipment (eg pumps) operate partly or completely outside of the peak period
- Installing variable speed drives so that pumps only run at the required electricity input, rather than 100% of their rated power
- Using more energy efficient equipment and ensuring appliances are not operated longer than necessary.

Can you help me check if Tariff 24 is a good option?

If your site has a meter that records consumption in half hour intervals, it is possible to undertake a tariff analysis using your previous consumption data, to compare what your costs would have been on Tariff 24. However, most small businesses do not have that metering.

It is possible to have a tariff analysis undertaken without interval data, but some assumptions need to be made about the monthly peak demand of the business, during the summer and non-summer months.

If you have, or are able to shift, most of your electricity demand outside the peak times of 10am to 8pm, Monday to Friday, you may be suited to Tariff 24 as there is no demand charge applied outside of the peak period, including all day on weekends.

Customers applying to be part of the Tariff 24 Trial Group will have a tariff analysis undertaken, to do this we will need to ask you questions about how you use energy during the stated peak time periods.

The basics of Tariff 24

Who is Tariff 24 for?

Tariff 24 is a new electricity tariff option for small business customers using less than 100 megawatt hours of electricity per year.

It has a pricing structure that may naturally suit some businesses or present opportunities for others who can adjust their demand for electricity to avoid peak periods.

Check the 'supply details' section of your electricity bill to see if your connection point is considered to be small or large.

Usage and supply charges

Do usage charges vary during the day or year? No.

Usage is charged at a flat rate per kilowatt hour (kWh), 24 hours a day throughout the year.

How do usage charges compare with other business tariffs?

Usage on Tariff 24 is charged at a significantly lower rate than most other business tariffs.

Demand charges

How is the demand charge calculated?

On Tariff 24, the demand charge is based on your measured average demand for electricity over 30 minute intervals, and not a single moment in time. Charges are applied for your average measured demand that occurs during the demand charge window, being 10am – 8pm, Monday to Friday, on the four days during each month on which you have the highest average demand.

In other words, the demand charge is calculated by looking at the four days during the month that have the highest average demand during the 10am – 8pm (Monday to Friday) period. Your monthly demand is calculated as the average demand across those days.

Demand incurred outside of the 10am to 8pm (Monday to Friday) period does not contribute to your demand charges.

Do demand charges vary during the day?

Yes. Demand is measured on weekdays only, between 10am and 8pm. There is no charge for demand that is incurred outside of this peak daytime period – this includes all day on weekends.

What are the hours of supply?

Tariff 24 provides a continuous supply of electricity throughout the day and night.

What charges are associated with Tariff 24?

Tariff 24 has a fixed daily supply charge, a usage charge (measured in kWh) and a demand charge (measured as kW).

Is there a supply charge?

Yes. Supply charges are applied on a daily basis at the same rate every day.

How do supply charges compare with other business tariffs?

Supply charges on Tariff 24 are some of the lowest of all other small business tariffs.

How is demand measured?

Demand is measured by your meter as average demand over a half hour period – not the maximum instantaneous demand that occurs anytime during that half hour.

Your meter records total consumption in kilowatt hours (kWh) in a half hour period; to convert this to a demand value (kW), simply multiply by 2. For example:

- You use a pump that is rated a 30kW which uses a constant amount of power, meaning your total energy consumed over the half hour would be 15 kWh. Your average demand for that half hour would be $15 \times 2 = 30\text{kW}$
- You use a pump that is rated at 50kW. The pump uses the full 50kW on start-up, but then uses less power after it warms up. The total amount of energy consumed over the half hour is 20kWh. Your average demand would be measured as $20 \times 2 = 40\text{kW}$.

Do demand charges vary during the year?

Yes. During the year there are two rates for demand on Tariff 24 – a higher rate during the summer months and lower rate in the other non-summer months.

Outside the summer peak period, the minimum chargeable demand under this tariff is 3kW. There is no minimum demand charge in summer.

For enquiries regarding Tariff 24 under the Agricultural Tariff Trial, please call (07) 3851 6218 or email to agtarifftrial@ergon.com.au

For any general queries regarding Tariff 24, please phone Ergon Retail on 1300 135 120.

