

2024-2029 Network tariff reform

Issue Date: December 2023

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

Network tariff reform encourages more efficient use of networks which is intended to reduce the need for additional investment in the distribution network, and/or the amount of infrastructure that needs to be maintained.

Introduction to network tariff reform

In 2014, the Australian Energy Market Commission (AEMC) made a rule that required regulated network companies to structure their prices to better reflect the costs of providing electricity to customers.

Cost reflective pricing results in customers paying for the cost of the services they are using at the time those services are being used.

Figure 1 shows how everyday usage on the distribution network can contribute to short-term peaks. It is these peaks that the network is built to accommodate to ensure all customers can receive a reliable source of energy.

The implementation of cost reflective tariffs is intended to provide customers with efficient price signals that reflect network expenditure at

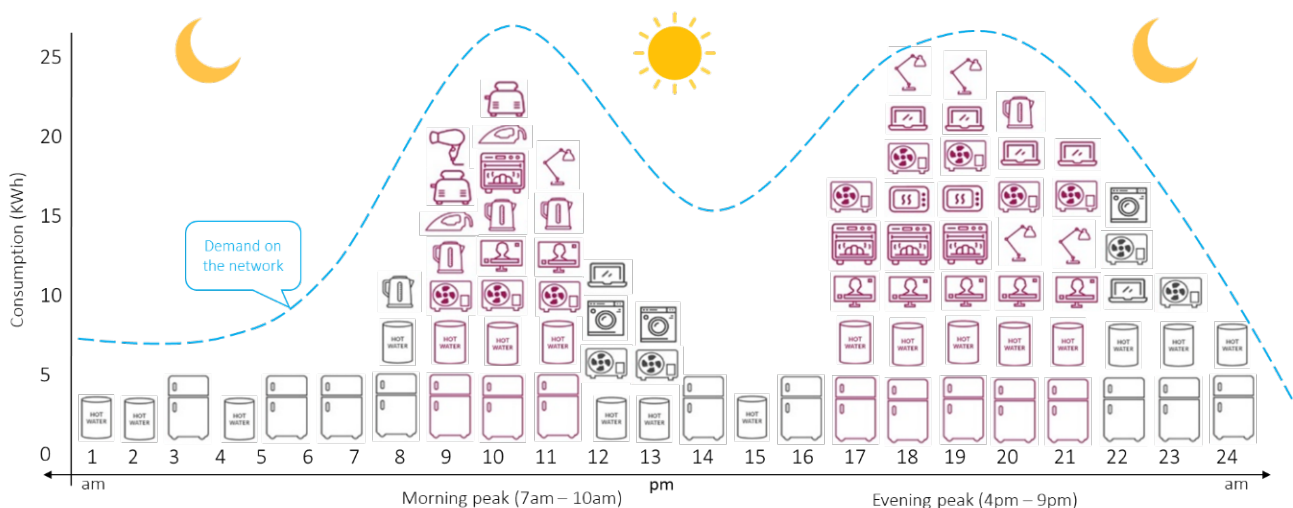
different times, and a choice on when and how they use energy by providing incentives for cheaper energy when demand is lowest.

The availability of cost reflective network tariffs is highly reliant on the rollout of advanced meters, currently underway in Tasmania.

Consumer energy resource investment

In addition to the network tariff reforms and advanced meter rollouts, customers are also able to not only consume energy from the network but also generate and store energy using technologies such as solar PV, electric vehicles, and battery storage solutions – collectively known as consumer energy resources (CER).

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



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The rise of these resources gives consumers the ability to manage their energy usage from the distribution network and when aligned with cost reflective tariffs can reduce network peaks by encouraging customers to shift their usage to other times.

TasNetworks' consumer engagement for cost reflective network tariffs

In Tasmania, many residential customers choose to be connected to the residential flat rate tariffs, primarily due to the reliance of home heating and hot water.

TasNetworks has engaged extensively on our approach to continuing the network tariff reform process and the transition to cost reflective network tariffs.

Our stakeholders showed a preference to transition our customers to cost reflective tariffs by revising our network tariff assignment rules. The discussion centred around electricity being a low involvement product for many of our customers, resulting in many customers being unaware of incentives on offer.

How do I find out more about TasNetworks' network tariffs for the 2024-2029 period?

On the 31 January 2023, TasNetworks submitted the following network tariff proposals:

- [Tariff Structure Statement](#)
- [Tariff Structure Explanatory Statement](#)

Additionally, TasNetworks makes available Factsheets to summarise key aspects of the Tariff Structure Statement:

- 2024-2029 network pricing strategy
- Residential network tariffs
- Small business network tariffs
- Small business (TAS94) time of use network tariff changes
- Embedded networks
- Consumer energy resources
- Electric vehicles

These factsheets can be located on TasNetworks' website.

For more information

To find out more visit our website:

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

Alternatively contact us at:

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