

2024-2029 Network pricing strategy

Issue Date: December 2023

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

Introduction

TasNetworks' pricing strategy aims to encourage customers to use the network more efficiently and to better utilise emerging technologies to meet customer needs.

This fact sheet summarises the key changes to TasNetworks' network tariffs for the 2024-2029 period:

- Assignment rules
- Default network tariffs for residential and small business customers
- Abolishment of the residential pay as you go (TAS101) and the residential pay as you go time of use (TAS92) network tariffs
- Amendments to the small business time of use consumption network tariff (TAS94)
- Amendments to the residential consumer energy resources network tariff (TAS97)
- Introduction of network tariffs for embedded networks

TasNetworks Tariff Structure Statement (**TSS**) and Tariff Structure Explanatory Statement (**TSES**) provide further detail on TasNetworks' pricing strategy for the 2024-2029 regulatory control period.

Assignment rules for residential and small business customers

The following network tariffs are being made obsolete from 1 July 2024:

- TAS31 – residential general light and power
- TAS22 – small business general light and power
- TAS41 – heating and hot water

All **existing residential and small business** customers who, as at 30 June 2024, are

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assigned to one of the above network tariffs may continue on that arrangement, until one of the following is triggered:

- Residential or small business customers that have their **meter upgraded or replaced with an advanced meter** on or after 1 July 2024 will be assigned to the default time of use consumption network tariff 12 months following the date of meter exchange ('trigger date'). Prior to the conclusion of the 12-month period, customers may choose to opt-out of the default network tariff, nominate an alternative cost reflective network tariff or accept the reassignment to the new default network tariff. At any time on or after the trigger event date the customer/retailer can request a change to a cost reflective tariff without the need to serve the 12-month opt-out period.
- A residential or small business customer who **voluntarily opts into a time of use consumption network tariff** on or after 1 July 2024 will be unable to revert to any of the obsolete network tariffs.
- Residential and small business customers who **move into established premises** will be assigned to the same network tariff(s) as the previous occupants. If the previous occupants of the property were assigned to a now obsolete network tariff, the new occupant will be assigned to the same network tariff(s) unless they opt to change their network tariff, or have their meter upgraded.
- A residential or small business customer who **installs an electric vehicle fast (dedicated) charger** at their premises will be assigned to TasNetworks' default time of use consumption network tariff.

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Figure 1. Summary of assignment rules

	Retain current network tariff	Default network tariff	Cost reflective network tariff	12 month opt-out period
Advanced meter roll-out		✓		✓
New connection		✓		
Opt into alternative tariff			✓	
Customer relocation	✓ ¹			
EV fast charger installation		✓	✓	

Default network tariffs

As shown in Figure 1, **all new residential and small business connections** on or after 1 July 2024 will be assigned to the default network tariff.

TasNetworks default network tariffs for residential and small business customers will remain:

- TAS93 – residential time of use consumption
- TAS94 – small business time of use consumption

Note: Unlike the 2019-2024 regulatory control period, **new connecting customers will be unable to opt into any network tariff that has been abolished or made obsolete** (e.g., TAS31, TAS41, TAS22). However, they may opt out to

another cost reflective network tariff suitable for their connection type.

Abolishment of pay as you go (PAYG) network tariffs TAS101 and TAS92

From 1 July 2024, TAS101 and TAS92 network tariffs, which were obsolete during the 2019-2024 regulatory control period, will be abolished.

These network tariffs are aligned with existing network tariffs – TAS92 to TAS93 and TAS101 to TAS31. Prior to 30 June 2024, TasNetworks will reassign the remaining customers to the relevant network tariff.

¹ Refers to the network tariff(s) applying to the property the customer moves into, rather than the network tariffs applying to the customer's previous premises.

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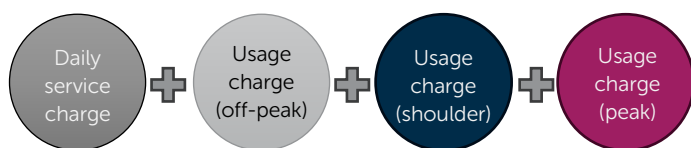
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Small business time of use consumption network tariff (TAS94)

This network tariff is our default network tariff for small business customers who are connecting to the network for the first time.

Figure 2 shows the components of the network tariff, which remain unchanged from the 2019-2024 regulatory control period.

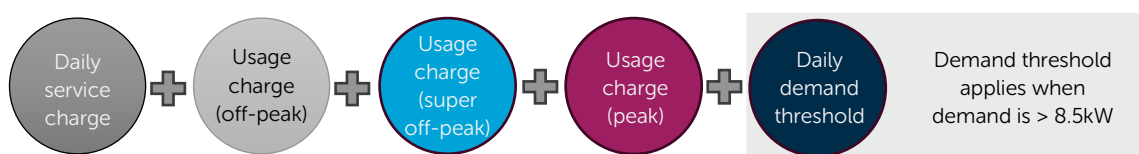
Figure 2. Components of the small business time of use, consumption-based network tariff (TAS94)



Following an assessment of our network and small business customer usage profiles, we reconsidered the weekday and weekend time periods. From 1 July 2024 the following will apply:

- On weekdays, the period from 10:00 to 16:00 will change from peak to shoulder.
- The weekday evening peak period will be shortened by one hour to end at 21:00.
- The weekend shoulder period will be removed, so weekends will be off-peak all day.

Figure 3. Components of the residential CER time of use, consumption-based tariff (TAS97)



Residential consumer energy resources (CER) network tariffs (TAS97)

TasNetworks has reviewed the residential consumer energy resources (CER) network tariff. During the 2019-2024 regulatory control period, this network tariff was a time of use demand tariff.

From 1 July 2024 this network tariff will be a time of use consumption network tariff with a demand threshold and a super off-peak period.

The intent of the CER network tariff is to allow users to maximise investment in CER by utilising the peak, off-peak and super off-peak periods to structure the use of batteries, energy generation and EV charging.

The components of the CER network tariff are shown in Figure 3 and are applied as follows:

- the **super off-peak period** applies for any day of the week and starts at midnight lasting until 4am
- the **peak periods**, only apply during weekdays during the hours of 7am-10am and 4pm to 10pm
- all remaining periods are **off-peak** including weekends (except where the super off-peak period applies)

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- the **excess demand charge threshold** applies when a customer's daily anytime maximum demand exceeds 8.5kW.

Embedded networks

Embedded network tariffs are new and are being introduced as at 1 July 2024.

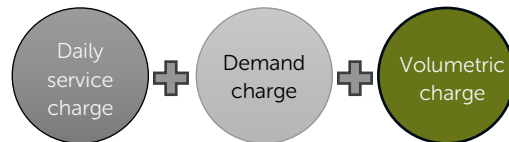
These new network tariffs are to be applied to new embedded networks connecting to the distribution network and are also available to existing embedded networks on an opt-in basis. If an existing embedded network chooses to change network tariffs on or after 1 July 2024, they will only be able to select an embedded network tariff. Once an embedded network is assigned to an embedded network tariff, they will be unable to opt-out to other network tariffs unless there is a change in network connection characteristics.

The embedded network tariffs charge based on the network capacity required to service the aggregate demand of the customers in the embedded network.

The following are the components used in the embedded network tariffs (Figure 4):

- Service charge – this is a tiered daily charge based on the network capacity 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.

Figure 4. Components of the embedded network tariffs



The tiered service charge (Figure 5) will recognise that embedded network owners are a diverse group of customers, with 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 5. 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

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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