# TIME OF USE TARIFFS

Deciding what's best for your home and small business.

## What is a Time Of Use tariff?

Time Of Use (TOU) tariffs apply different prices for electricity at different times of the day. Time is divided into Peak, Shoulder and Off-Peak periods which reflect the level of demand on the electricity network. During Off-Peak periods electricity prices will be cheaper than at other times.

Under the National Electricity Rules, electricity networks (the 'poles and wires') must be built to handle the maximum peaks in demand. This means that network tariffs must reflect a combination of the total electricity being used and the peak rate at which it is being consumed.

When customers run a lot of equipment or appliances such as pumps, refrigerators, air conditioners or processing plant at the one time, they increase the peak demand on the network.

The more efficiently a customer uses electricity, the less impact they have on the electricity network. Therefore, TOU tariffs are a more cost-effective way of setting prices for customers than standard flat rate or block tariffs.

## Essential Energy's Time Of Use tariffs

Essential Energy offers a range of tariffs that have been designed for different types of customers, considering their energy consumption and/or demand profile, voltage level and type of connection to the network.

To take advantage of TOU tariffs you will require a time of use capable meter. Most of our residential and small business customers have basic accumulation meters so you may need to pay for a meter upgrade and allow time for your meter to be replaced.

Customers with a basic interval or time of use capable meter can choose to move to a TOU tariff at any time. Charges vary with the time of day in which consumption occurs. There are three periods for TOU pricing: Peak, Shoulder and Off-Peak. Generally, prices are highest in Peak times and lowest in Off-Peak times.

A summary of our current residential and small business tariffs is shown below.

**BLNT3AU**
Premises must be wholly used as a private dwelling and have a time of use capable meter.

**BLNT3AL**
Premises must be wholly used as a private dwelling and have an interval capable meter.

**BLNT2AU**
Business premises equipped with a time of use capable meter and whose consumption does not exceed 100MWh per year.

**BLNT2AL**
Business premises equipped with an interval capable meter and whose consumption does not exceed 100MWh per year.

**BLNT1AO**
Business premises with a time of use capable meter and whose consumption does not exceed 160MWh per year.

**If you consume over 160MWh per year you will be moved to our demand tariffs according to the terms in our Network Price List.**
**Visit essentialenergy.com.au for more information on demand tariffs.**

*'Network Price List and Explanatory Notes'* available at **essentialenergy.com.au**

## How to reduce your charges

Charges are higher in Peak and Shoulder times and lower in Off-Peak times, so understanding the way you use electricity and the available tariff options is important to ensure you get the best value for money.

Typically, customers should aim to use electricity at lower cost (Off-Peak) times in order to save on their electricity charges. The amount you're able to save depends on your ability to change your consumption patterns, or shift your consumption to these lower cost time periods.

Usage patterns also tend to change over time, so reviewing these on a regular basis will help you get the best deal for your business needs.

You may also be able to reduce your charges by applying energy efficiency measures. Eligible customers can receive assistance through the NSW Government's Energy Saver program. To find out if you are eligible, phone **1300 361 967** or visit **environment.nsw.gov.au**

## How is my electricity measured on a time of use basis?

Once your TOU capable meter is up and running your consumption of electricity within each Peak, Shoulder and Off-Peak period is measured.

If you consume more than 100MWh per annum, you are required under the market rules† to have an interval meter installed. These meters are electronic and record your usage remotely, in 30 minute intervals.

## Time Of Use Clock


**Recordable time periods (AEST or AEDST)**

**Peak:** 5pm - 8pm weekdays

**Shoulder:** 7am - 5pm, 8pm - 10pm weekdays

**Off-Peak:** All other times (10pm - 7am weekdays & all weekend, 10pm Fri - 7am Mon)

**Public holidays:** treated as a normal day

**Peak**
**Shoulder**
**Off-Peak**

To be used in conjunction with Essential Energy schedule of charges. **Note:** From 10pm Friday to 7am Monday all consumption at **Off-Peak**.

*Note*

The charging windows for Basic and Accumulation meters and premises on Obsolete tariffs differ from the above as follows:

**Peak:** 7am - 9am and 5pm - 8pm on weekdays

**Shoulder:** 9am - 5pm and 8pm - 10pm on weekdays

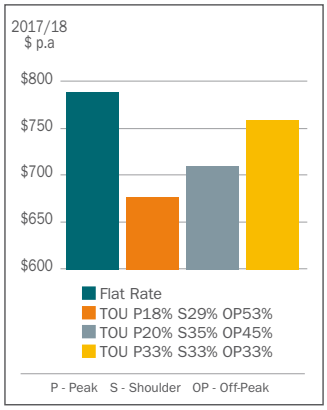
**Off-Peak:** All other times

This means that customers who do not have interval metering or who are on an obselete tariff will incur peak charges from 7am to 9am on weekdays

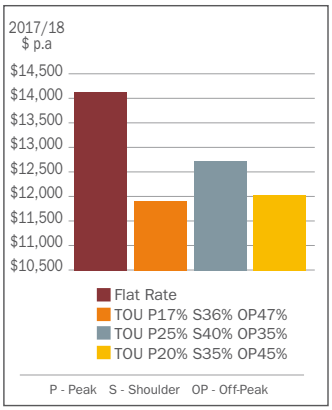
## Case study

The graphs below illustrate how a residential customer and a business customer may be better off by moving from a standard flat rate tariff to a TOU tariff.

Residential customer consuming 5MWh per annum




Business customer consuming 100MWh per annum




The graphs show three different scenarios of how much electricity is consumed in the three different time periods and the impact on your bill – each using the same total amount of electricity.

They show that the greatest savings are made with greater Off-Peak usage.

You should contact your retailer to discuss the best tariff for you and make any requests for tariff changes.

You may find it beneficial to engage a commercial energy efficiency consultant to assess the potential for reducing your electricity bill. An internet search on terms such as 'energy efficiency advice/ consultant/provider' may be a good place to start.

## Questions and feedback

If you have any questions or feedback on Essential Energy's demand tariffs, contact us at: **Email: networkpricing@essentialenergy.com.au** or **Phone: 13 23 91**

† In accordance with Australian Energy Market Operator's Metrology Procedure Part A S2.4