

ENERGY EFFICIENCY

This factsheet is a joint initiative between Cotton Australia, NSW Irrigators' Council and the NSW Office of Environment and Heritage

For more information

Please contact us:

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1300 361 967
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UNDERSTANDING NETWORK TARIFFS

If you are an irrigator and use more than 160,000 kWh of electricity a year, your electricity bill will look different to your normal household bill. This factsheet will help clarify the components of your electricity bill and explain the 'network' charges. In general, you will find three components on your electricity bill¹:

- 1. Energy Charges:** Total electricity consumed over a particular period (usually a month).
- 2. Network Charges:** These cover transmission and distribution costs as well as an electricity capacity/demand charge based on the maximum electricity you use in a month/quarter/year.
- 3. Others:** These include State and Federal renewable energy program charges, meter service charges, Australian Energy Market Operator (AEMO) charges and ancillary charges.

If you have recently noticed a section on 'network' charges on your electricity bill you may have been moved off an 'obsolete' tariff. Please contact your network service provider (Essential Energy if you are in inland NSW, Ausgrid or Endeavour Energy if you are located along the NSW coast) to determine if you are being charged the network tariff that best suits your irrigation business.

What type of customer am I?

If you are an irrigator, it is highly likely that you will be using more than 160,000 kWh of electricity a year. If you do, this classifies you as a 'large electricity customer' and will require you to install an interval or smart meter on farm. You will be required to meet the cost of the installation of this interval or smart meter.

As a large electricity customer you will be subject to a different tariff structure to residential and small business customers and different 'network' charges.

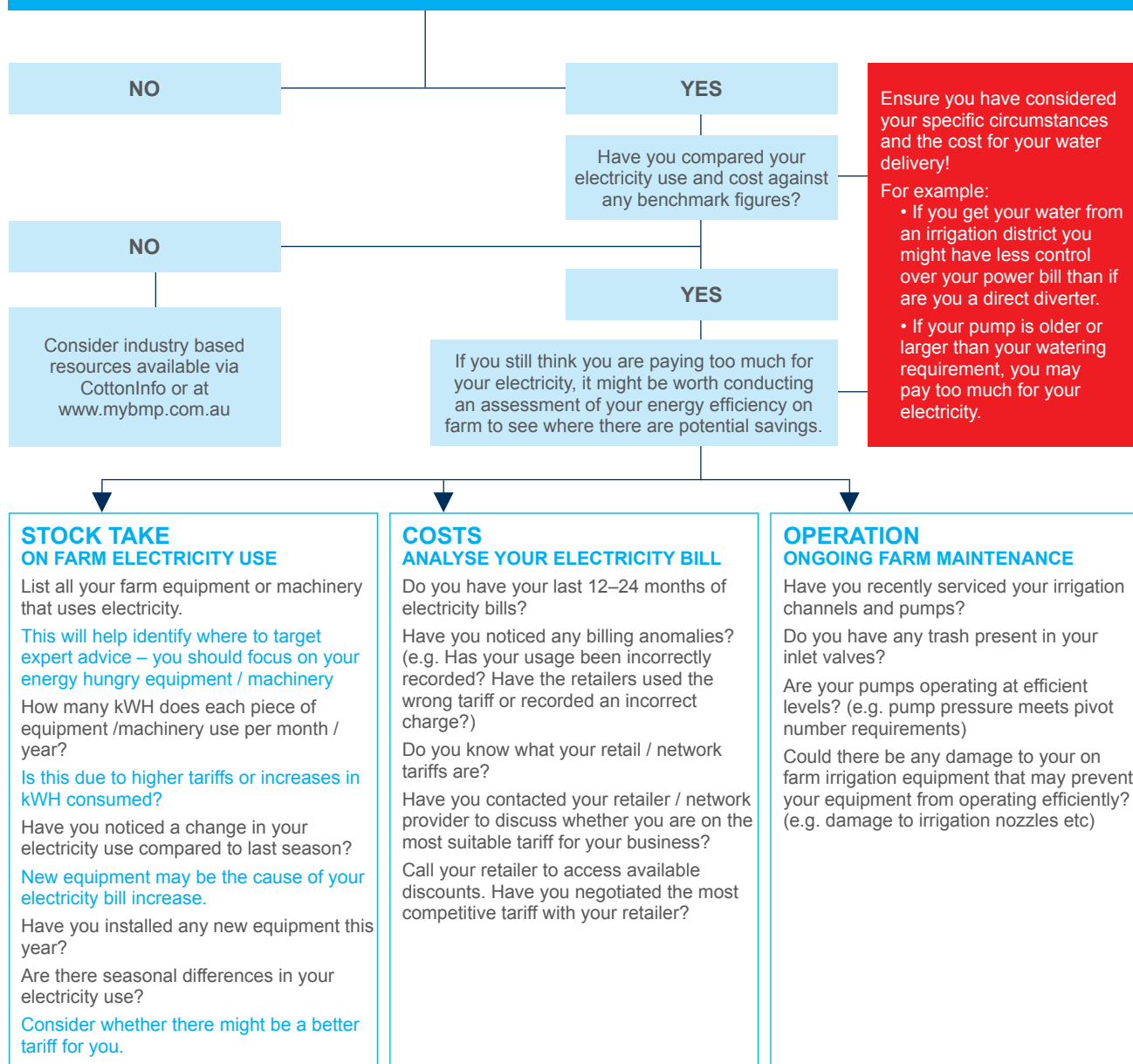
¹ For further details on how to read your bill, please see the Electricity Bills factsheet.

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IDENTIFYING LOW COST ELECTRICITY SAVING OPTIONS

ARE YOU PAYING TOO MUCH FOR YOUR ELECTRICITY BILL?



All of these items will help you achieve cost savings from 'low hanging fruit'. We recommend seeking advice from a specialist irrigation engineer to achieve more significant electricity use reductions and cost savings

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What is a network charge?

The total price you pay for electricity covers the costs of generating electricity, transporting it using transmission lines to local distribution networks (typically substations), and then distributing it through low voltage local networks to customers. This last component – often called ‘poles and wires’ – are responsible for the network charges on your electricity bill. It reflects the cost of transporting electricity via the low voltage distribution lines to your farm.

Why is the network charge important?

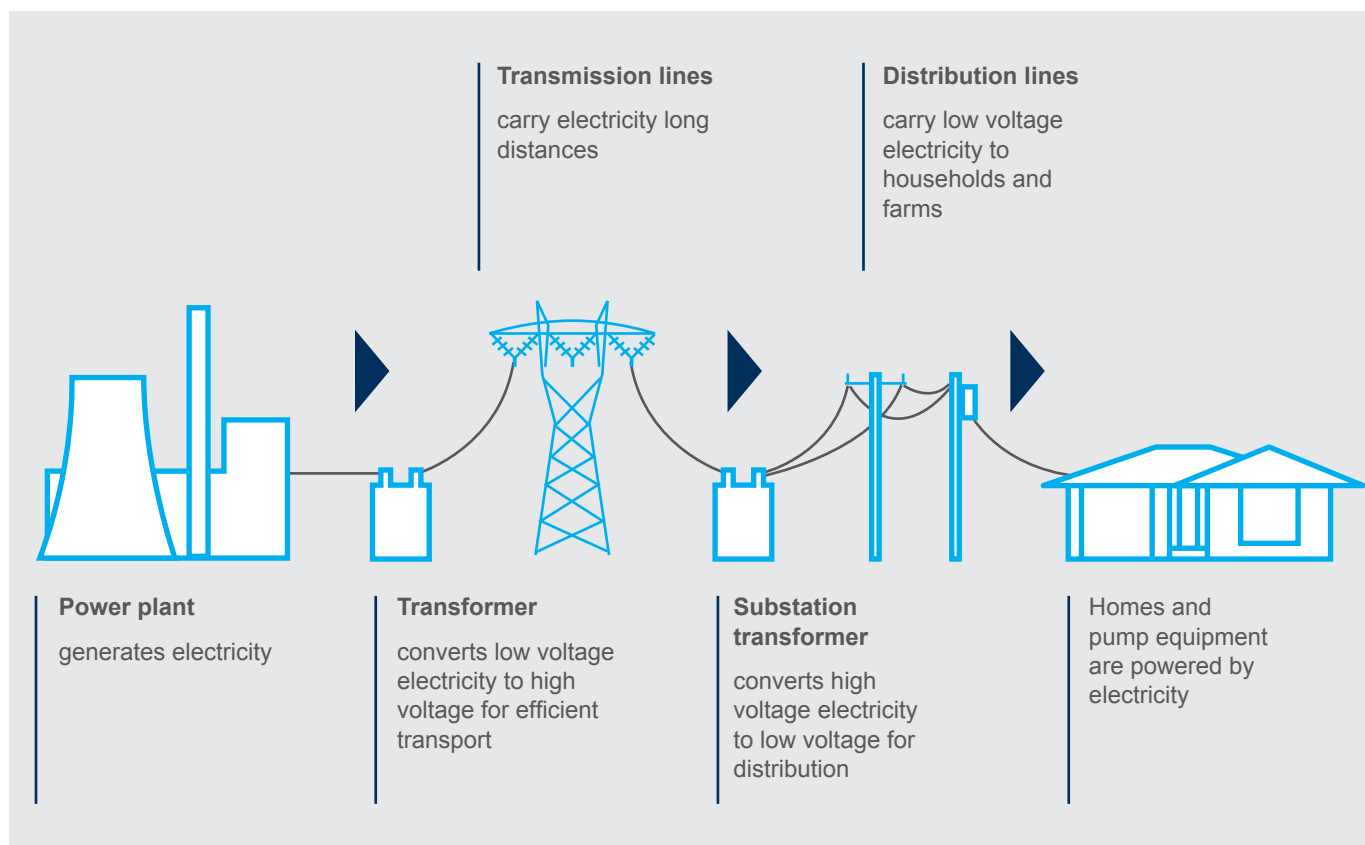
While your farm set-up, irrigation equipment and water requirements will determine how much you use and pay for electricity, network charges are a large component of an irrigator's electricity bill and usually make up between 55-65% of total electricity costs. This is because farm equipment has a high electricity requirement over a short period of time. Distribution networks need to build infrastructure to accommodate this demand (as a legislated requirement).

But what do the individual (network) charges mean?

You might have noticed that your bill includes more than one charge for the ‘network’ component – with up to seven different items listed. The number of charges listed on your bill will depend on your individual ‘network’ tariff. In general there are three different categories of network charges:

- Consumption charge based on how much electricity you draw from the network;
- Demand/Capacity charge which is based on the maximum amount of electricity used in a half hour period within a month; and
- Access charge which is based on a connection fee and usually calculated daily.

The individual rates will vary according to the network business and typically change from year to year.



What are the relevant network tariffs for irrigators in NSW?

The network provider will usually place you on a network tariff according to your energy consumption, your demand profile, your voltage level and the type of connection you have to the network.

Large electricity users (with consumption greater than 160,000 KWh per year) can access three different network tariffs in Essential Energy's distribution network²:

Remember to ask your network service provider whether there are alternative tariffs that might be more suitable for you.

Please contact NSW Irrigators' Council or Cotton Australia for further information.

BLND3AO	Peak, shoulder, off peak periods have: <ul style="list-style-type: none"> • Demand (kVA charges) • Volumetric charges 	<ul style="list-style-type: none"> • Slightly higher volumetric charges than BLNS1AO • Slightly lower demand charges than BLNS1AO
BLND3TO	<ul style="list-style-type: none"> • Demand kVA charges for the maximum recorded in either the peak or shoulder period. No demand charge for off peak periods. • Volumetric charges for peak, shoulder, off peak periods 	<ul style="list-style-type: none"> • Demand and volumetric charges higher than BLND3AO and BLNS1AO. • No demand charge for off peak periods.
BLNS1AO*	Peak, shoulder, off peak periods have: <ul style="list-style-type: none"> • Demand (kVA charges) • Volumetric charges 	<ul style="list-style-type: none"> • Slightly lower volumetric charges than BLND3AO • Slightly higher demand charges than BLND3AO

*only available if monthly demand exceeds 1,500 kVA for 4 months of the previous 12 months.

² These tariffs may be subject to change as a result of the Tariff Structure Statement process

