

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:

Cotton Australia
02 9669 5222

NSW Irrigators' Council
02 9251 8466

NSW Office of Environment and Heritage
1300 361 967
(ask for the Energy Efficient Business team)



UNDERSTANDING YOUR ELECTRICITY BILL

Your electricity bill can be difficult to understand. It is important to know which components of your bill are negotiable so you can minimise your electricity costs.

Looking at your bill

All bills look different. A generic sample bill of a 'large' electricity user (exceeds 160MWh/annum) below illustrates which fees are negotiable.

Detailed Charges

Distribution Loss Factor 8.69%

Marginal Loss Factor 0.04%

Total Loss Factor 8.73%

Meter:
46006591:1

Usage
132211.546kWh

Period
01/10/2015 - 31/10/2015

Days
31

	Quantity	Unit	Rate/Unit	Amount	Sub Total (incl. GST)
1. Energy Charges					
Peak	19237.882	kWh	5.7194 c/kWh	\$1,100.29	
Off Peak			3.3381 c/kWh	\$2,468.80	
Shoulder			5.7194 c/kWh	\$2,231.45	
GST				\$580.06	
Sub total					\$6,380.60
2. Network					
Off Peak			1.1664 c/kWh	\$4,358.80	
Peak			2.3964 c/kWh	\$2,518.18	
Shoulder			2.3964 c/kWh	\$5,108.73	
Access Charge	31	Days	6.140600 \$/Day	\$190.36	
GST				\$1,121.61	
Sub Total					\$13,393.68
3. Other					
ESC Charge	132211.546	kWh	0.1427 c/kWh	\$188.67	
LREC Charge			0.7850 c/kWh	\$1,037.86	
AEMO Charge			0.0353 c/kWh	\$46.67	
AEMO Charge			0.0272 c/kWh	\$35.96	
AEMO Ancillary	132211.546	kWh	0.5091 c/kWh	\$473.09	
SREC Charge	132211.546	kWh	0.5652 c/kWh	\$265.23	
Meter Provider/Data Agent Charges	132211.546	kWh	95.000000 \$/bill	\$95.00	
Service Charge	132211.546	kWh	40.000000 \$/bill	\$40.00	
GST				\$211.74	
Sub Total					\$2,328.99
Total New Charges					\$22,103.27
Total GST					\$2009.41

Energy Charges – Retail Component

These are the costs of electricity consumption charged by the retailers for supplying energy to you and are completely negotiable.

On 1 July, 2014, the NSW Government removed price regulations. This encouraged the entry of several new retailers into the energy market. Charges are typically reviewed every year by retail companies and new prices are set on 1 July each year.

You can see which energy retailers operate in your area – and compare prices – via the website:

www.energymadeeasy.gov.au

Examples of retailers include:

Energy Australia	Origin
Momentum Energy	Simply Energy
Red Energy	Diamond Energy
Next Business Energy	Covau
Blue NRG	ERM Business Energy
LUMO Energy	1st Energy

Contact a number of retailers to ensure you are on the most competitive electricity retail tariff.

Network charges

Network charges are not negotiable and are broadly regulated by the Australian Energy Regulator (AER). Individual network tariffs are developed by the network businesses. While you cannot negotiate the rates charged by your network company, we highly recommend speaking with your network provider to ensure you are on the most cost effective tariff.

Different network tariffs have a different 'weighting' or cost for electricity 'use' and network 'demand'. It will depend on your energy use which tariff is better for you, however if you have highly variable energy use, you will often be better off to have a tariff that has a greater weighting on the volume of electricity you use. Accessing your electricity bill and network data will help you determine which tariff is appropriate for you. For advice refer to the 'network tariffs' factsheet.

Other charges

Other charges that may appear on your bill include environmental charges, Australian Energy Market Operator (AEMO) charges and meter provider and service charges.

The meter and service charges are worthwhile negotiating if you have a number of meters on your farm. You may be able to negotiate your own metering contract directly with a metering provider that is cheaper than those offered by your retailer. Be aware that this may mean you are subject to an administration fee if the meter provider is not your retailer's preferred supplier.

Environmental charges (which include ESC: NSW Government Energy Savings Scheme; LREC: Large Scale Renewable Energy Certificate and SREC: Small Scale Renewable Energy Certificate) and AEMO charges are passed on to consumers by retailers. You may be able to negotiate with retailers about reducing some of these costs.

Negotiating changes to retail electricity tariffs will require you to sign a contract. This will be either a standard (fixed price) or market (variable prices) retail contract. It is important to check the terms and conditions prior to signing. Pay particular attention to account establishment fees, exit fees, late payment fees, disconnection fees, reconnection fees, payment processing fees and the duration of your contract.

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

