

Sub-threshold network tariffs 2025-26

As submitted to the Australian Energy Regulator

14 February 2025

Public



Powering a
Bright Future

Version	Date	Author initials
[V 0.0]	10/02/2025	NN

Disclaimer

TasNetworks (which, for the purposes of this disclaimer, includes all of its related bodies corporate, its officers, employees, contractors, agents and consultants) makes no representation or warranty (express or implied) as to the accuracy, reliability, or completeness of the information contained in this document, or its suitability for any intended purpose. TasNetworks has no liability for any loss or damage (be it direct or indirect) arising out of, or in reliance on, any statements, opinions, information, or matter contained in, or derived from, the information in this document.

TasNetworks acknowledges the palawa (Tasmanian Aboriginal community) as the original owners and custodians of lutruwita (Tasmania). TasNetworks, acknowledges the palawa have maintained their spiritual and cultural connection to the land and water. We pay respect to Elders past and present and all Aboriginal and Torres Strait Islander peoples.

Contents

Glossary	3
Introduction	4
Sub-threshold network tariff notification	5
Storage Network Tariff – Low voltage, small business	6
Section 1: Network tariff trial overview	6
Section 2: Optional information	7
Section 3: Proposed charging structure and pricing	8
FarmShare Network Tariff	9
Section 1: Network tariff trial overview	9
Section 2: Optional information	11
Section 3: Proposed charging structure and pricing	11
Further information	14

Glossary

Term or Abbreviation	Description
AAR	Annual Smoothed Revenue Requirement
AER	Australian Energy Regulator
CER	Consumer energy resources
Demand	Electricity consumption at a point in time
EOI	Expression of interest
kV, kVA	Kilovolt, Kilovolt Ampere
kW, kWh	Kilowatt, Kilowatt hour
NER	National Electricity Rules
Network tariff	Network price components and conditions of supply for a network tariff class
NMI	National Meter Identifier
NUOS	Network Use of System
Price signal	Information conveyed to end users of electricity via the prices charged for a network service, which provides a signal about the true cost of providing a service and/or the value to the customer of that service, which influences their decisions about the use of the service.
PV	Photovoltaic solar panels
Retailer	A business that buys electricity from generators, packages it with the network services (for transportation of the electricity) and sells it to consumers/end users
SAG	Stakeholder Advisory Group
TAR	Total allowable revenue
TSS	Tariff Structure Statement 2024-2029
TWG	Technical Working Group

Introduction

In accordance with Rule 6.18.1C of the National Electricity Rules (**NER**), TasNetworks is notifying the Australian Energy Regulator (**AER**) of its intention to trial the following sub-threshold network tariffs from 1 July 2025.

The two sub-threshold network tariffs are:

- **Storage Network Tariff** – a network tariff for utility scale energy storage systems, operating on the low voltage network within the small business network tariff class.
- **FarmShare Network Tariff** – a network tariff for primary producers with on-farm generation.

These sub-threshold network tariffs will be the first network tariffs where TasNetworks offers a two-way pricing structure. These network tariffs will include elements not previously used in a Tasmanian context, such as export charges and rewards, and a discounted consumption charge during a 'solar soak' period to encourage the use of electricity generated during the middle of the day, typically through photovoltaic solar panels (**PV**), when demand is typically lower.

TasNetworks intends to provide price signals that encourage participants to manage their use of the network in a way that improves network efficiency.

Sub-threshold network tariff notification

We propose to introduce two network tariffs, one for storage systems and one for primary producers with on-farm generation. Table 1 provides the overview of TasNetworks’ proposed sub-threshold network tariffs commencing on 1 July 2025.

Table 1: Overview of the sub-threshold network tariffs

Distributor	TasNetworks
Total cumulative revenue of all sub-threshold network tariffs (\$ and % AAR)	Approximately \$0.9 million, equivalent to 0.3% of the AAR in the upcoming regulatory year.
Confirmation for publication	TasNetworks confirms that this document contains no commercial or private information and provide permission for the AER to publish this notification on their website.

The sections below outline each sub-threshold network tariff under this notification.

Storage Network Tariff – Low voltage, small business

Section 1: Network tariff trial overview

Name of trial	Storage Network Tariff
Objectives of trial	<p>Development of a network tariff to:</p> <ul style="list-style-type: none">• Enable the connection of storage technologies (e.g., community batteries) directly to the network.• Structure a network tariff that allows the technologies to operate in a manner to reduce network demand and network constraints.• Understand the impact that network tariffs have on the operation of these technologies in the wholesale energy market.
Retailer engagement	<p>TasNetworks have approached six retailer representatives and completed consultations with three of them regarding the trials. We have invited their feedback on the current tariff design and gathered their input before the trial goes live. We have also established expectations for post-launch engagement with interested retailers.</p>
Consumer engagement	<p>We have engaged with our Stakeholder Advisory Group (SAG) and Technical Working Group (TWG) on this project and tariff trial. Both groups were introduced to the Community Battery project objectives and how the network tariff aims to support the delivery of these objectives. An activity was presented to both groups to gauge their feedback on tariff design, priorities, and trial triggers.</p> <p>We will take a proactive approach to discussing this trial tariff with our consumer, stakeholder and technical groups throughout the trial. We will present the trial results and discuss other potential tariff structures that could deliver positive results for the network and Tasmania. This includes examining how this tariff incentivises increased battery uptake on our network.</p>
Expected consumer and/or retailer response	<p>We expect that engaged battery operators and retailers will operate their batteries in response to the tariff's pricing signals, aligning their operation with network demand.</p>
Proposed tariff (structure and pricing)	<p>A two-way tariff, including time of use components.</p> <p>TasNetworks will introduce a 'solar soak' period for when solar output is high (10am-3pm daily). This component will charge a lower rate for consumption to incentivise storage operators to charge during this period. This will be paired with an export charge to disincentivise discharging.</p> <p>During peak periods (7am-10am and 5pm-9pm), a rebate will incentivise discharging and this will be paired with an import price to disincentivise storage charging.</p>

Name of trial	Storage Network Tariff
	<p>During all other periods, there will be a low-price signal for imports, and no cost for exports to incentivise network utilisation.</p> <p>Refer to Section 3 of this network tariff trial for structure and indicative pricing.</p>
<p>Links to TasNetworks Tariff Structure Statement (TSS) strategy and Export tariff transition strategy (if applicable)</p>	<p>This tariff trial aligns with TasNetworks' TSS strategy to prepare for and understand the impacts of increasing Customer Energy Resources (CER) on the Tasmanian network. It supports our objectives to provide innovative tariff options, explore the relationship between new technologies and pricing, and gather data for future tariff designs.</p> <p>Insights from this trial will improve our understanding of customer behaviours, inform future tariff development, and guide our approach for export tariff introduction for the 2029-2034 regulatory period. This initiative contributes to our long-term vision of normalising cost-reflective tariffs and expanding tariff options by 2034-2039.</p>
<p>Forecast revenue (\$ and % AAR)</p>	<p>\$0.01 million, equivalent to 0.0% AAR for the upcoming regulatory year</p> <p>Note: Measured against TAR during annual pricing per NER cl. 6.18.1C(a)(1).</p>
<p>Trial start date</p>	<p>1 July 2025</p>
<p>Duration of trial</p>	<p>Four regulatory years, until the end of the current regulatory control period.</p>
<p>Potential changes and triggers</p>	<p>TasNetworks will review the customer take-up, tariff structure and charges of the trial annually. We may elect to undertake a critical peak pricing structure to test customer response, as well as associated internal processes (notification and billing structures). Any adjustments will be done in collaboration with affected consumers and stakeholders. We will advise the AER of any proposed changes four months prior to the start of each regulatory year.</p>
<p>Notification date</p>	<p>February 14, 2025</p>

Section 2: Optional information

Optional information	
<p>Forecast volumes</p>	<p>It is estimated that in the initial phase of the trial, approximately 8 community batteries will be connected to the network.</p>
<p>Potential additions</p>	<p>NA</p>
<p>Location of trial</p>	<p>Initially eight community battery locations across the network: four in the south, three in the north, and one on the east coast.</p>

Section 3: Proposed charging structure and pricing

Charging parameters	Explanation	Unit	Time of use period	Indicative NUOS charge
Service charge	A set daily charge which applies to all customers connected to a network tariff.	cents/day		1,555.32
Peak energy charge	A charge applied to each unit of energy consumed during specified times.	cents/kWh	7am – 10am and 5pm – 9pm	22.38
Shoulder energy charge	A charge applied to each unit of energy consumed during specified times	cents/kWh	3pm – 5pm	13.18
Off-peak energy charge	A charge applied to each unit of energy consumed during specified times.	cents/kWh	9am -7am and 3pm-5pm	3.24
Midday solar soak energy charge	A discounted charge applied to the consumption of energy during the 'solar soak' period.	cents/kWh	10am-3pm	-
Peak export reward	A reward/payment for energy exported during times of peak demand.	cents/kWh	7am-10am and 5pm-9pm	-1.95
Peak export charge	A charge applied to energy exported during times of minimum demand, over and above a 'Basic Export Level' ¹ .	cents/kWh	10am – 3pm	2.60 ¹
Off-peak export charge	A charge applied to each unit of energy consumed during specified times	cents/kWh	all export other times not specified above	-

¹ The Basic Export Limit is where the first kWh per hour is free during the five hours of peak export. This equates to 1,825kWh per annum

FarmShare Network Tariff

Section 1: Network tariff trial overview

Name of trial	FarmShare Network Tariff
Objectives of trial	<p>The objectives of the trial are to:</p> <ul style="list-style-type: none">• test the application of aggregated net metering to retail customers with multiple connections to the distribution network and embedded generation; and• incentivise participants to align their consumption and generation, increasing self-consumption while lowering peak demand on the network and better balancing local supply and demand.
Retailer engagement	<p>TasNetworks approached several electricity retailers in Tasmania to ascertain their interest in participating as a retail partner in our FarmShare Trial ("Trial").</p> <p>Only retailers with sufficient scale in the Tasmanian market from which to draw a sample of primary producers, and where customers had previously expressed an interest to participate, were approached.</p> <p>An expression of interest (EOI) was received from one retailer.</p>
Consumer engagement	<p>The Trial has been developed in direct response to calls from primary producers with on-farm generation to be able to offset the electricity they generate (export) from one connection on their property against the metered consumption of electricity at other connections on the same property.</p> <p>The Trial has been promoted to prospective participants through articles appearing online and in industry publications that target primary producers.</p> <p>TasNetworks has also promoted the Trial using its own digital engagement platform, "Talk with TasNetworks – Farmshare Trial".</p> <p>EOIs in the Trial have been able to be lodged via Talk with TasNetworks, and TasNetworks is actively working with the retail customers that lodged EOIs to recruit participants in the Trial.</p> <p>During the recruitment phase, TasNetworks' retail partner in the Trial will also directly approach retail customers engaged in the business of primary production that have on-farm generation.</p>
Expected consumer and/or retailer response	<p>Through the application of aggregated net metering across multiple connections on the same property, Trial participants will be able to offset the electricity they produce and export against the consumption of energy at other connections on the same property.</p> <p>The tariff will send price signals to participants to incentivise them to provide network support by aligning their consumption of electricity with coincident exports of energy from other connections on the same property.</p>

Name of trial	FarmShare Network Tariff
	<p>It is anticipated that participating primary producers might be encouraged to shift some or all of their loads around their property so as to consume more energy at times of the day when generation on their properties is producing energy that is being injected into the distribution network.</p>
<p>Proposed tariff (structure and pricing)</p>	<p>The tariff is designed to be applied at a property/customer level, rather than to a connection or National Meter Identifier (NMI). Elements of the tariff will send signals to participants that reward coincident exports and consumption of energy at participating connections on a property.</p> <p>The proposed tariff structure is a two-way tariff, including time of use components.</p> <p>Refer to Section 3 for structure and indicative pricing.</p>
<p>Links to TSS strategy and Export tariff transition strategy (if applicable)</p>	<p>This tariff trial aligns with TasNetworks' TSS strategy to prepare for and understand the impacts of increasing CERs on the Tasmanian network. It also supports the provision of innovative tariff options, exploring the relationship between new technologies and pricing, and the gathering of data to inform future tariff designs.</p> <p>Insights from this trial will enhance our understanding of customer behaviours, inform future tariff development, and guide our approach for export tariff introduction in the 2029-2034 regulatory period. This initiative contributes to our long-term vision of normalising cost-reflective tariffs and expanding tariff options by 2034-2039.</p>
<p>Forecast revenue (\$ and % AAR)</p>	<p>\$0.8 million, equivalent to 0.2% AAR for the upcoming regulatory year</p> <p>Note: Measured against TAR during annual pricing per NER cl. 6.18.1C(a)(1).</p>
<p>Trial start date</p>	<p>1 July 2025</p>
<p>Duration of trial</p>	<p>One regulatory year</p>
<p>Potential changes and triggers</p>	<p>At the conclusion of the Trial, TasNetworks will review participating customers' experience with the Trial, including the extent to which they were able to modify their behaviour in response to the price signals across their property.</p> <p>TasNetworks will review the impact of the Trial on localised demand on the network, and the balance between demand and supply on the feeders distributing energy to participants in the Trial.</p>
<p>Notification date</p>	<p>14 February 2025</p>

Section 2: Optional information

Optional information	
Forecast volumes	It is estimated that no more than 25 customers will participate in the Trial, with each customer consuming at least 150 MWh of electricity per annum.
Potential additions	NA
Location of trial	It is expected that the FarmShare Trial will involve primary producers served by high voltage feeders located in rural and regional areas around the State.
Other	The time of use windows and pricing of the trial network tariff will be based on the load profiles typically seen on feeders serving primary producers. These feeders tend to be summer peaking, rather than the network's load profile in urban areas, which in Tasmania peaks in winter.

Section 3: Proposed charging structure and pricing

Charging parameters	Explanation	Unit	Time of use period	Indicative NUOS charge
Service charge	A capacity-based charge based on anytime maximum demand across each participant's nominated connections over a rolling 12-month period, including the month being billed	c/kW/day		4.055
Summer				
Peak energy charge	A charge applied to each unit of energy consumed during peak periods that was not generated on-farm.	cents/kWh	5am – 10am and 4pm – 10pm	8.172
Shoulder energy charge	A charge applied to each unit of energy consumed during shoulder periods that was not generated on-farm.	cents/kWh	Midnight – 5am and 10pm - midnight	4.903
Midday solar soak energy charge	A discounted charge applied to the consumption of energy during the 'solar soak' period.	cents/kWh	10am – 4pm	0.409

Charging parameters	Explanation	Unit	Time of use period	Indicative NUOS charge
Peak export charge	A charge applied to energy exported during times of minimum demand, over and above a 'Basic Export Level'.	cents/kWh	10am – 4pm	0.811 ²
Peak export reward	A reward/payment for energy exported during times of peak demand.	cents/kWh	5am – 10am and 4pm – 10pm	-3.022
Shoulder export charge	A charge applied to each unit of energy exported during specified times.	cents/kWh	Midnight – 5am and 10pm - midnight	-
Winter				
Shoulder energy charge	A charge applied to each unit of energy consumed during shoulder periods that was not generated on-farm.	cents/kWh	5am – 10am and 4pm – 10pm	4.903
Off-peak energy charge	A charge applied to each unit of energy consumed during periods defined as off-peak which was not generated on-farm.	cents/kWh	Midnight – 5am and 10pm - midnight	1.226
Midday solar soak energy charge	A discounted charge applied to the consumption of energy during the 'solar soak' period.	cents/kWh	10am – 4pm	0.409
Peak export charge	A charge applied to energy exported during times of minimum demand, over and above a 'Basic Export Level'.	cents/kWh	10am – 4pm	0.811 ²
Peak export reward	A reward/payment for energy exported during times of peak demand.	cents/kWh	5am – 10am and 4pm – 10pm	-3.022

² The Basic Export Limit is where the first kWh per hour is free during the six hours of peak export. This equates to 2,190kWh per annum.

Charging parameters	Explanation	Unit	Time of use period	Indicative NUOS charge
Off-peak export charge	A charge applied to each unit of energy exported during periods defined as off-peak.	cents/kWh	Midnight – 5am and 10pm - midnight	-

Further information

Customers and retailers who have questions about our services or prices are encouraged to contact TasNetworks at:

Head of Regulation

Tasmanian Networks Pty Ltd

PO Box 606

Moonah

TAS 7009

Phone: 1300 127 777

Email: network.tariff@tasnetworks.com.au



www.tasnetworks.com.au

Sub-threshold network tariffs 2025-26

Public