

Digital Metering

and the impact on your electricity bills

All customers with a digital meter installed after 1st December 2017 will be transitioned by their Distributor Network Service Provider (Energex or Ergon) to a new electricity tariff effective from 1st July 2021.

You may have a digital meter if:

- You have a solar PV system.
- Your old basic meter was replaced due to end of life.
- You have built a new home.

From 1st July 2021, customers with digital meters will not have access to the grandfathered* Residential Flat Tariff and will be transferred to the new Transitional Demand Tariff.

Customers who have had a digital meter installed between 1st July 2020 and 30th June 2021 may be eligible to access the grandfathered tariff until 1st July 2021. This can be confirmed by calling our customer care centre.

Why is electricity pricing changing?

The new Transitional Demand Tariff is the first step towards cost reflective network charges applied by Distributor Network Service Providers (DNSP). Local DNSPs include Energex for South East Queensland and Ergon for North/Central/West Queensland.

The fundamental change is how you are charged for accessing the electricity grid. The network volume charge (c/kWh) has been reduced and the price reduction has been replaced with a Peak Demand charge. The Peak Demand charge is applicable between 4pm and 9pm Monday to Sunday. This charge is cost reflective of an individual customer's demand they place on electricity grid during the peak demand times.

If you take the time to understand how you use electricity and take action to reduce your demand during peak time, you can reduce your electricity bill. Failing to act may see an increase to your electricity bill.

How is the Peak Demand charge calculated?

Demand is calculated over 30-minute intervals. The demand for each 30-minute period is calculated by multiplying the total amount of electricity (kWh) used during a 30-minute period by 2. The maximum demand for a month is the highest 30-minute interval demand period in that month between 4pm and 9pm Monday to Sunday.

Consider what is happening in your home between 4pm and 9pm each night. You are using electricity for cooking, TV, lighting, heating your hot water system, and running your air-conditioner or fans in summer and heaters in winter.

If these devices use 5kWh of electricity in a 30-minute period, your "demand" is 5kWh x 2 = 10kW.

**Grandfather: exempt from a new law or regulation – sometimes for a set timeframe.*

Call LPE today for tips and advice on your options
1800 040 168

Can I reduce my demand and my Peak Demand charge?

Reducing your household demand is possible with conscious effort and action. Your best solution is to be aware of what is switched on between 4pm and 9pm and turning it off if possible!

Some evening activities will always occur, like cooking, watching TV, and having lights on. Turning off your air-conditioner for a few hours is possible. Setting timers for hot water systems and pool pumps to operate outside 4pm and 9pm is easy to do.

You could consider a secondary tariff for your air-conditioner and hot water system. Whilst a secondary tariff will not contribute to your peak demand, your DNSP can reduce or turn off secondary tariff supply during peak network demand events.

Will the demand tariff impact the benefits of my solar system?

Your solar PV system is most effective between 8am and 3pm for electricity generation. The Peak Demand charge of the new Transitional Demand Tariff applies outside these hours which means your solar system will have little benefit in reducing this cost and your electricity bill will increase.

Installing new technology to increase your utilisation of solar electricity produced during the day may reduce your Peak Demand charges. This could include battery storage to use solar electricity after 4pm or diversion to your electric hot water heater.

Can I change my tariff?

Yes, you can change your tariff to a Time of Use Tariff or the Residential Demand Tariff. If you have been transferred to the Transitional Residential Demand Tariff before 1st July 2021, you can request a transfer back to the grandfathered Residential Flat Tariff for up to 12 months.

The purpose of the Transitional Residential Demand Tariff is to give you time to become accustomed to the new cost reflective network charges.

If you have taken action to control and lower your peak demand, the Residential Demand Tariff can reduce your electricity bill as it has lower network volume charges (c/kWh) and higher Peak Demand charges (\$/kW).

Time of Use is also a cost reflective tariff with three charging bands. The highest cost band is the same as other demand tariffs. Whilst it is easier to understand the charges, Time of Use is arguably a more expensive tariff that requires extra diligence to avoid higher electricity bills. It is available with secondary tariffs.

In Summary

Cost reflective tariffs are here to stay, and as electricity users our best option is to become more energy efficient. We can do this by:

- Adopting smart technologies.
- Changing habits to conserve electricity.
- Being more conscious about how and when we use electricity and how our choices effect our electricity bills.
- Investigating options for your solar PV system as it will no longer reduce your electricity bill without additional technology.