

An introduction to Residential Demand Tariffs

As of 1 July 2019, Ausgrid introduced demand tariffs for electricity retailers. This means retailers can offer customers **demand pricing plans** which include a demand charging component.

Why demand tariffs?

Customers told us they want more affordable electricity and more control over their bills. In response, Ausgrid has worked with customer advocates to design new tariffs to make electricity more affordable, now and into the future.

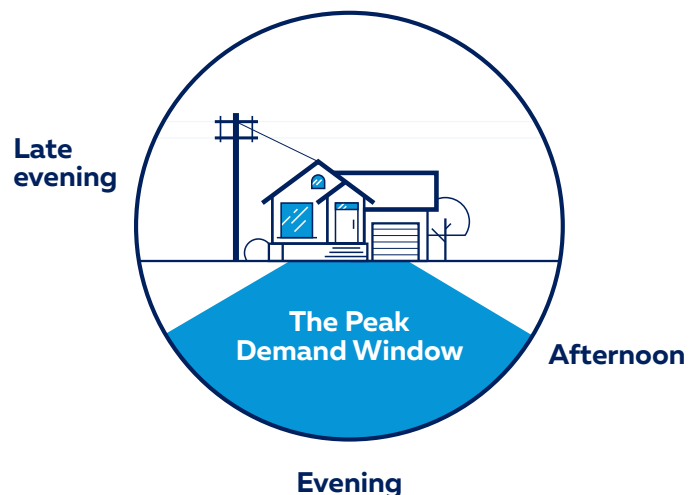
With demand charging, you can benefit by lowering your electricity demand during the busiest times. You'll pay no more than your share for the load you place on the network.

Demand explained

Demand is different from consumption, which is the total amount of electricity you use.

Demand is how much, or how little, your household uses the electricity network (poles and wires) during the busiest times, a period typically starting between mid and late afternoon and ending mid-evening.

These busy times are called the **peak demand window**. Ask your retailer for the days and times their peak window applies.



Your bill might look different

A demand pricing plan that uses Ausgrid's demand network tariff structure will consist of:



Fixed daily supply charge

The flat cost per day to supply electricity to your premises.



Consumption charge

The total amount of electricity you actually use.



Demand charge

A variable monthly charge depending on your demand at peak times.

How demand is calculated

Your retailer will determine how they calculate your demand charge. This may differ between retailers.

Typically, it's calculated on the one day of the month during the peak window when the highest 30 minute period of consumption occurs. This peak is measured in kilowatts, and multiplied by the number of days in that month.

You will likely be better off

Most residential customers on demand pricing plans will be better off under the new arrangements. This is because **supply** and/or **consumption** charges will most likely be reduced by more than enough to offset the typical amount paid for **demand**.



Controlling your costs

If you are on a demand pricing plan and you see a bill increase, there are ways to take control of your costs.

- Ask your retailer for a different plan or shop around for a better deal.
- Reduce your demand charge by **taking turns with your appliances**, rather than running many at once, during the peak window.
- Reduce your demand charge by **time-shifting some appliance usage** to outside the peak window.

See the Ausgrid fact sheet "**Tips for controlling your demand**" for examples of taking turns and time shifting.