

Important information for large business customers:

How your tariffs work



July 2022

Jemena is your electricity distributor. We own the poles and wires supplying electricity to approximately 1,500 large business customers across Melbourne's north-west suburbs.

We charge retailers for providing you this service ("network charges") and they pass on the costs to you as part of your total retail bill. Our network charges are made up of individual charges (or prices) referred to as tariff components. These combine to make up your network tariff.

Tariff Structure

On 1 July 2021, Jemena began transitioning large business customers to provide more cost reflective tariffs. This is a five-year transition and is part of a growing momentum across Australia to transition electricity consumers toward tariffs that provide them with price signals that better represent the cost of transporting electricity to them. Customers' consumption decisions based on these price signals mean we can provide the most efficiently-sized network that Customers are prepared to pay for.

The changes were consulted upon and initiated as part of the five-yearly reconsideration of the structure of our tariffs—established in our 2021-26 tariff structure statement and has been approved by the Australian Energy Regulator.

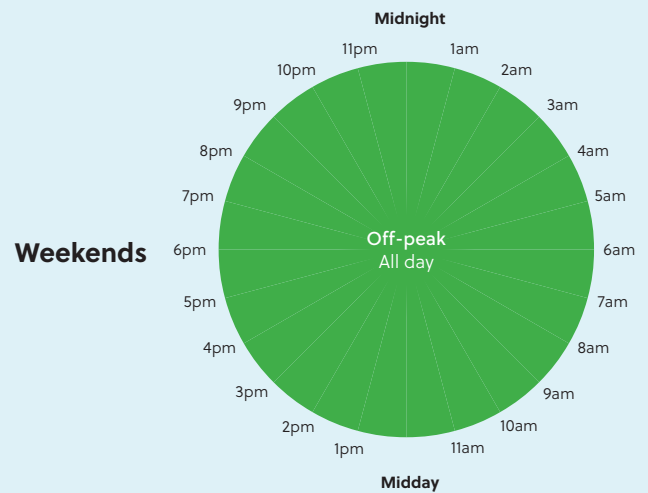
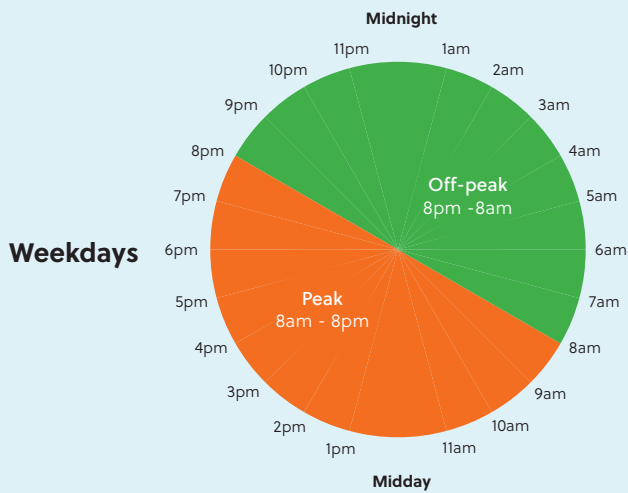
The following are the key components of our tariff structure:

Tariff Component	Unit	Parameters
Standing charge	\$ pa	
Peak (see p2)	c/kWh	8am - 8pm local time, weekdays
Off-peak (see p2)	c/kWh	8pm - 8am local time Mon-Fri, all day on weekends
Annual demand (see p 3)	\$/kVA pa	8am - 8pm local time Mon-Fri, Rolling 12 months. Cannot be lower than the minimum chargeable demand level for your tariff or your initial / minimum contract demand if you entered a connection contract with Jemena
SDIC (see p. 4)	c/kVA per day	4pm to 7pm local time, workdays (excludes public holidays). No minimum.

Peak and Off Peak

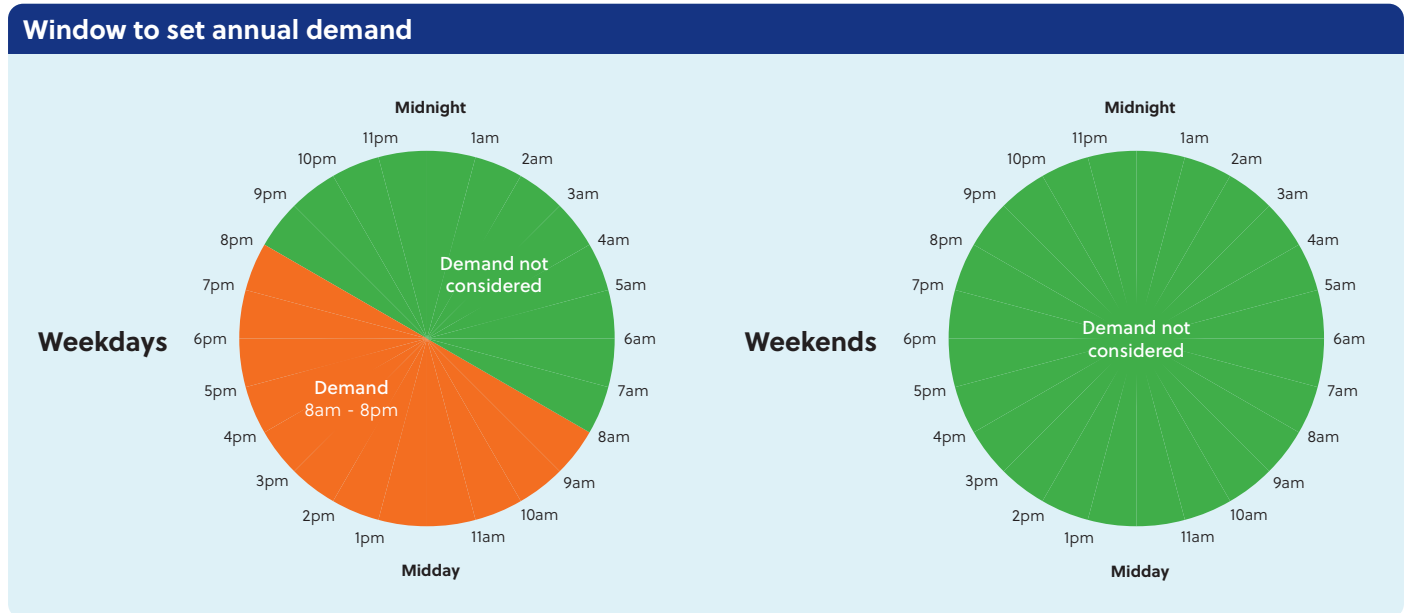
The peak and off-peak windows are used to determine which consumption rate you are charged. The applicable peak times for large business tariffs are 8am to 8pm (local time) weekdays. All other times are considered as off-peak.

Peak and off-peak windows

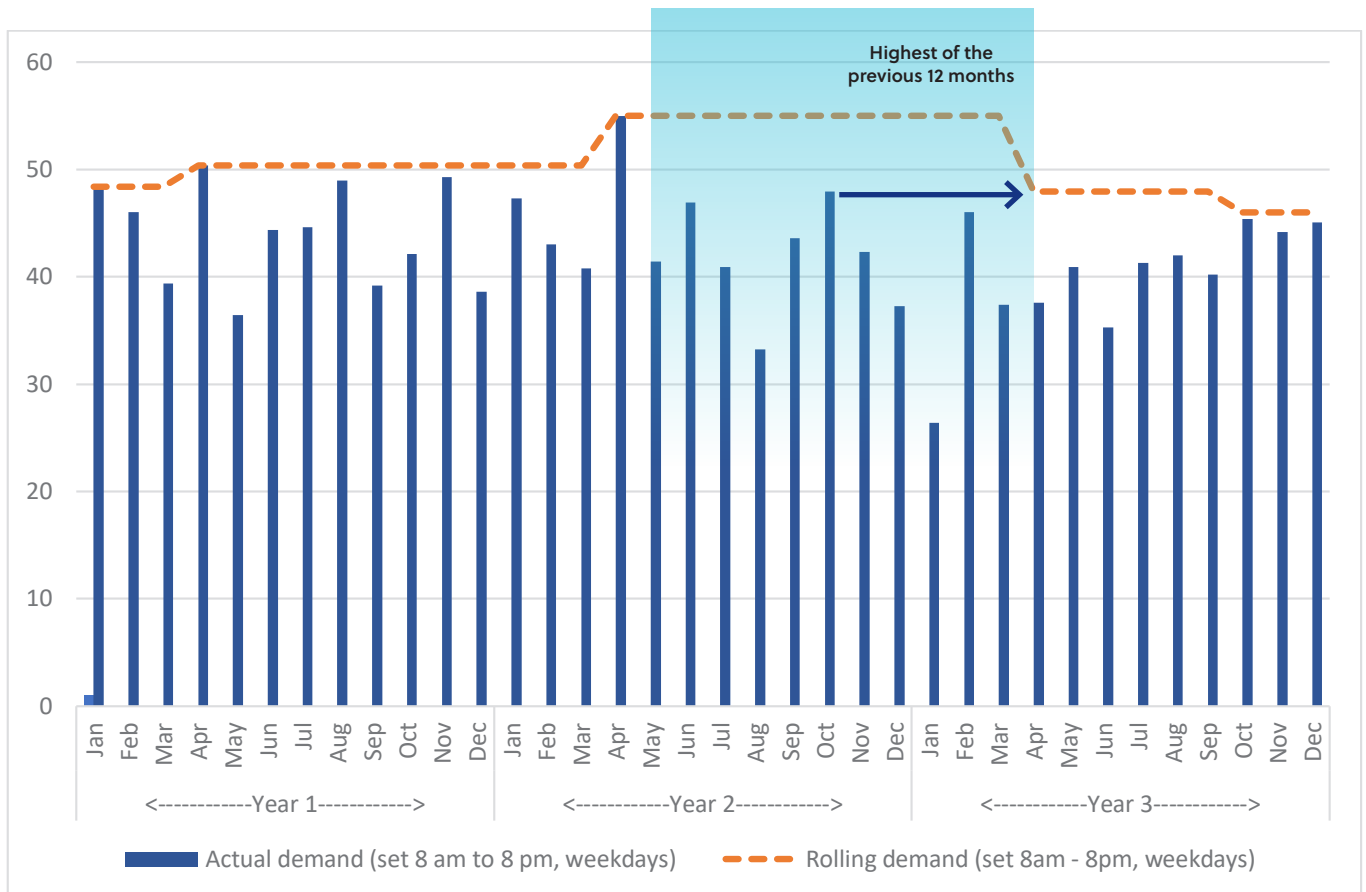


Annual Demand

The annual demand that we use to bill large businesses records your highest demand achieved between 8am to 8pm (local time) on weekdays (including public holidays).



Customers' billed annual demand will be calculated based on the maximum demand achieved by the site during the last 12 months within the 8am-8pm (local time) demand window (demonstrated by the orange dotted line below).

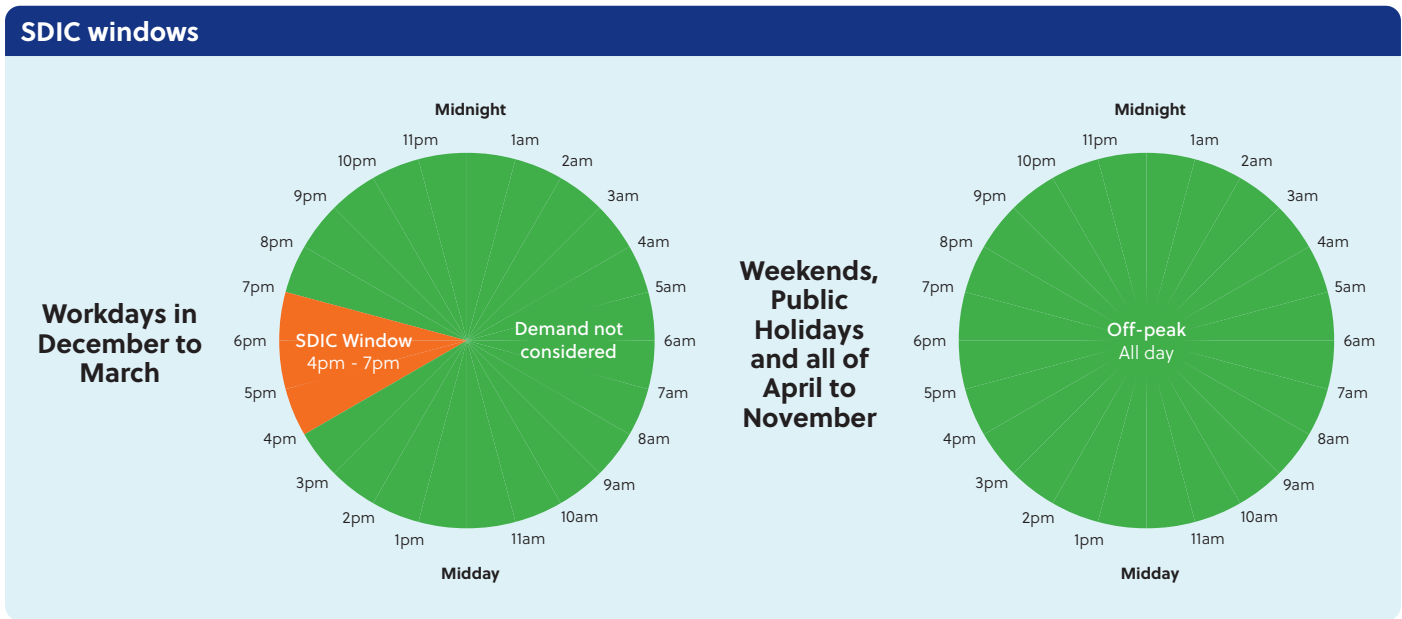


Summer Demand Incentive Charge (SDIC)

Jemena’s network peak demand occurs in summer. To reduce the emphasis on what demand customers are charged in non-summer months, we lowered the price of our annual demand charge and introduced a Summer Demand Incentive Charge (SDIC) component to the tariff. The SDIC is a demand charge applicable from December to March only.

The SDIC is:

- calculated for each month based on the maximum kVA demand achieved by the site between 4 pm to 7 pm (local time), only on workdays (i.e. Mon-Fri excluding public holidays)
- applicable each month in December to March
- reset to zero at the start of each month (with a minimum of zero).



All large business customers are subject to a network tariff with the SDIC tariff component. Unless you chose the cost reflective tariff, you were defaulted to our transitional tariff from 1 July 2021. The SDIC price for transitional tariffs moves to the SDIC price of the fully cost reflective tariff over the five years from 2021 to 2025, as shown in the table below.

As the price of the SDIC tariff component within the transitional tariff increases each year, the annual demand tariff component price will correspondingly decrease. Customers will also be able to choose a tariff with the SDIC price set to cost reflective tariffs if this better meets their needs.

Example of how the transitional tariff transitions to cost-reflective prices

Year	SDIC - Cost reflective tariff		SDIC rate transition (percent of cost reflective rate)	SDIC - Transitional tariff	
	SDIC rate	Annual demand rate		SDIC rate	Annual demand rate
Unit ->	c/kVA/day	\$/kVA/pa		\$/kVA/pa	c/kVA/day
2021-22	48.664	72.059	0%	0	124.742
2022-23	48.447	75.300	25%	12.112	113.070
2023-24	50.385	↓	50%	25.193	↓
2024-25	50.889	↓	75%	38.167	↓
2025-26	51.601	80.296	100%	51.601	80.296

*The prices shown for 2021-22 and 2022-23 are our distribution use of system (DUOS) prices for customers on our A300 tariff. The prices for 2023-24, 2024-25 and 2025-26 are indicative A300 DUOS prices.

Tariff choice - Alternative tariff with SDIC set at fully cost reflective levels

From 1 July 2021, we also introduced an alternative tariff with the SDIC set at fully cost reflective levels. Customers can continue to self-select this tariff at any point via their retailer or submitting a [network tariff reassignment request](#). Customers can subsequently choose to opt-out of the fully cost reflective tariff back on to the transitional tariff, although conditions apply (see FAQ). The fully cost-reflective tariff has the same tariff structure as the transitional tariff, but will be priced differently. There is a corresponding cost reflective tariff available for each transitional tariff, as shown in the table below.

A customer will only be subject to one tariff for each of their sites.

List of large business transitional and corresponding cost reflective tariffs

Connection	Transitional Tariffs	Cost Reflective Tariffs	Site consumption range
Low-Voltage (less than 1,000 volts)	A300,A30E	A30C	<= 0.8 GWh pa
	A320, A32E	A32C	> 0.8 GWh pa BUT <=2.2 GWh pa
	A340	A34C	> 2.2 GWh pa BUT <= 6.0 GWh pa
	A34E	A34C	> 2.2 GWh pa
	A34M	A34T	> 2.2 GWh pa BUT <= 6.0 GWh pa
	A370	A37C	> 6.0 GWh pa
	A37M	A37T	> 6.0 GWh pa
High-Voltage (1,000 to 22,000 volts)	A400, A40E	A40C	< 55 GWh pa
	A40R	A40T	Any
	A480	A48C	≥ 55 GWh pa
Sub-Transmission (over 22,000 volts)	A500	A50C	Any
	A50A	A50T	Any
	A50E	A50X	Any
	A50M	A50M	Any



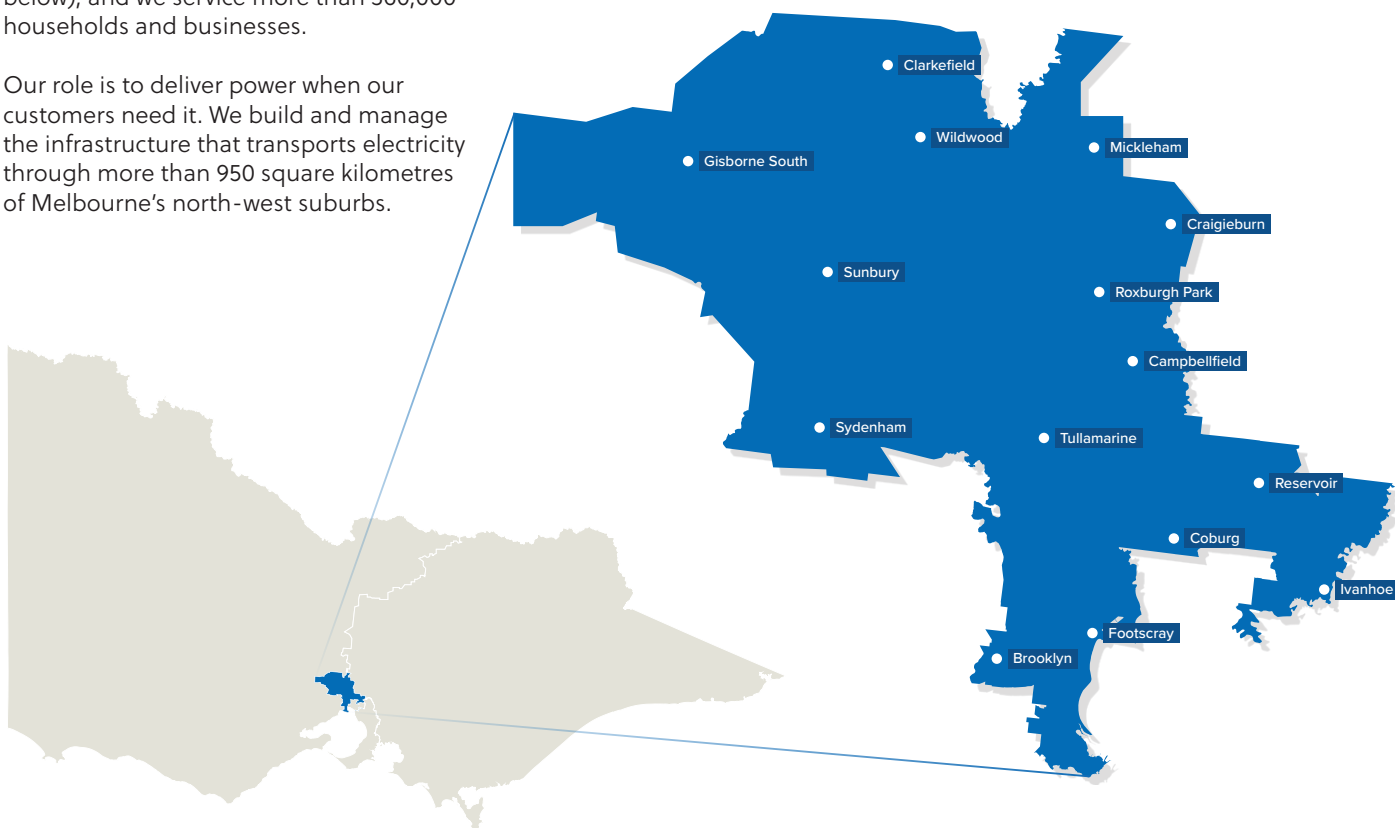
Frequently Asked Questions (FAQ):

Who is Jemena?

Jemena is your electricity distributor. We own the poles and wires supplying electricity to approximately 1,500 large customers across Melbourne's north-west suburbs.

The Jemena electricity network is one of five electricity distribution networks in Victoria. We are the sole distributor of electricity in northwest greater Melbourne (shown below), and we service more than 360,000 households and businesses.

Our role is to deliver power when our customers need it. We build and manage the infrastructure that transports electricity through more than 950 square kilometres of Melbourne's north-west suburbs.



What are network charges?

Network Charges (the network component of the electricity bills you receive from your retailer) are pass through charges from the distributor via the retailer. These network charges are made up of distribution charges, transmission charges and government schemes. We are responsible for distribution charges but also pass through the transmission and government scheme costs. We refer to the combined set of network charges as the "network tariff" and the individual charges (or prices) as "tariff components".

The prices in the network charges are set to reflect our costs that are primarily driven by meeting peak demand. Our network charges cover the cost of delivering electricity to you, and typically make up 40% to 45% of your total electricity bill of which between 20-50% are driven by our demand charges.

Charges	Usage	Unit Price	Loss Factor	Total Price
Retail Charges				
Peak			\$	1,354.62
Off Peak			\$	509.64
Environmental Charges				
LRECs			\$	162.00
VEECs			\$	171.00
SRECs			\$	162.00
Network Charges				
Standing Charge	31 Days	2500 \$ pa	\$	212.33
Peak	30000 kWh	5.00 c/kWh	\$	1,354.62
Off Peak	20000 kWh	2.00 c/kWh	\$	509.64
Annual Demand	185 kVA	95 \$/kVA pa	\$	1,492.67
Summer Demand Incentive Charge (SDIC)	60 kVA	15.00 c/kWh/day	\$	279.00
Market Charges				
AEMO Ancillary Fee			\$	6.00
AEMO Market Fee			\$	6.00
Metering Charges				
Meter Charge			\$	60.00
GST				\$ 624.15
Total (excl GST)				\$ 6,241.50
Total				\$ 6,865.65

Frequently Asked Questions (FAQ):

Who is a Large Business Customer?

Jemena considers any customer that has annual consumption above 400 MWh or annual demand of 120 kVA or higher as a large business customer.

What is AEST vs AEDT (local time)

Australian Eastern Standard Time (AEST) is the Australian time that is not adjusted for daylight saving. Australian Eastern Daylight Time (AEDT), also known as local time, is the Australian time adjusted for daylight saving i.e. the time that you would see on your watch.

What is Weekdays vs Workdays

Weekdays are considered as Mon-Fri and include public holidays, Workdays are considered as Mon-Fri but do not include public holidays.

If I choose the fully cost reflective tariff, can I change my mind?

Yes. You can move to the respective cost-reflective tariff with the option to move back to the original (transitional) tariff. If the cost reflective tariff does not suit you then you have the option to move back to the original tariff within a 12 month period from the initial change. However, Jemena will rebill you as per the previous tariff since the initial tariff change. This is required otherwise customers would have an incentive to choose the transitional tariff in summer and cost-reflective tariff in non-summer months.

How is kVA demand calculated?

kVA demand is calculated based on 15-minute interval. Where 15 minute data is not available and only 30 minute data is available, the kVA demand would be calculated based on a 30-minute interval.

Do I still get charged the annual demand charge in summer?

Yes. The annual demand charge is applicable throughout the year. The SDIC charge is also applicable between December and March. However, the SDIC also has no minimum demand value, so if you are shut down across a full summer month for example, there would be no SDIC charge.

How do I get help with comparing the current transitional tariff with cost-reflective tariff?

You can contact us at JENTariffs@jemena.com.au if you need assistance with comparing the transitional tariff with the respective cost-reflective tariff. We would not be able to provide recommendations for the best tariff applicable, however, we may be able help with comparison based on the past 12 months data (if available).

How do I find out my current network tariff?

Please contact your retailer to inquire about your current applicable tariff.

How do I request a tariff change?

Please contact your current retailer to have your tariff reassigned. Alternatively, you can send a [network tariff reassignment request](#) at JENTariffs@jemena.com.au.

What changed on 1 July 2021?

Please refer to our [previous information sheet](#) published in 2021.

What do these changes mean for my business?

Unless you have already asked for, or actively seek, the cost reflective tariff you will remain on your current transitional network tariff. The transitional tariff provides more time to assess the ability to change any business operations in response to the incentives provided by SDIC window during the transition period. While it has a lower SDIC charge, the annual demand charge of the transitional tariff is higher than that of the opt-in cost-reflective tariff. If your business is already well placed to manage your consumption during the targeted 4pm-7pm workday SDIC time window, then you can consider opting-in to the cost reflective tariff to benefit from the relatively lower annual demand charges during the transition.

How can I use the SDIC to reduce my bill?

By reducing your demand (kVA) during the SDIC window (4pm to 7pm local time on workdays for the months of December to March). There are also other various methods to reduce network costs i.e. power factor correction, managing peak off-peak usage, managing annual demand etc.

Why are we undertaking this transition?

The transition is designed to make our charges better reflect our actual costs of delivering electricity to customers, but in a way that manages customer impacts. Our costs are driven by the capacity we must provide to meet peak demand— the amount of electricity that our customers need at peak times, such as a hot summer evening. We build and maintain assets to meet this peak demand.

Did Jemena make these changes to increase revenue?

No. We are obligated to improve how cost-reflective our tariffs are. Additionally, Jemena's revenue is capped by the Australian Energy Regulator. This means that we would not be able to collect more revenue than we are allowed. Any over-recovery or under-recovery would be adjusted for in the following years tariffs.

Who can I contact if I have further questions?

Customers can send enquiries to JENTariffs@jemena.com.au.