Cairns based Louie’s Liquor Barn operates seven days a week. Due to the volume and range of beverages they sell, the large retail space has a significant energy load. The store has a number of major cold rooms and ‘ready to drink’ refrigeration units. Plus, being in the tropics, they have a significant year-round air conditioning requirement.

Working closely with an energy consultant, Louie’s switched to the new Seasonal Time-of-Use Demand network tariff. The store is now saving around 42% on their network charges.*

By looking at what drives our network costs and aligning our pricing signals, Ergon Energy Network has been able to offer Louie’s Liquor Barn the new Seasonal Time-of-Use Demand tariff. The new tariff has saved them over $28,000 across 12 months. These savings were able to be passed on because Louie’s used less electricity, proportionally, during summer weekday ‘peak demand’ times on our network.

Ergon Energy Network has introduced a new range of network tariff options for different customer groups. This case study showcases the new Seasonal Time-of-Use Demand tariff - now available for customers using more than 100MWh of electricity a year, up to 4GWh. For more information refer to Your Network Tariff Options.

**WHAT ARE NETWORK TARIFFS?**

Network tariffs are how Ergon Energy Network charges customers for their use of the distribution and transmission network (the network). These charges form part of your retail ‘bill’. Electricity retailers also charge for the energy used, any government schemes and their electricity retailing services.

If you’re with Ergon Energy Retail, your network tariff charges are part of your regulated retail tariff (set by the Queensland Competition Authority). If you’re with a different electricity retailer, your network charges are typically shown as a separate line on your bill.

**NEW TIME-OF-USE TARIFFS**

As a weekend trader, with high energy use year round, the tariff is a natural fit. Scaling back the physical footprint of the store reduced their air conditioning needs. Installed smart controllers in their cold rooms for greater savings.

**HOW Louie’s is using the network to keep their fridge temperatures and electricity costs down:**

Louie's is using the network to keep their fridge temperatures and electricity costs down:
Unlike the any time demand tariffs, the charges under the new Seasonal Time-of-Use Demand tariff vary depending on the time-of-day, day of the week and the month of the year. The ‘peak demand’ rates only apply between 10am and 8pm during summer weekdays (December, January and February). Cheaper ‘off peak’ rates then apply to the daily demand across the remaining nine months.

This means that weekend traders in particular, could have an energy usage profile suited to take advantage of the new Seasonal Time-of-Use Demand tariff, and like Louie’s Liquor Barn, be better off for making the switch.

For Louie’s, the savings are despite the fact that their energy use increases in the warmer summer months. This is because they enjoy a much lower summer energy rate for their seven-day-a-week usage. Plus, in the other nine ‘off peak’ months they are on a lower demand charge. These savings more than balance out their higher summer demand costs.

Looking at the different components of the network charges and the monthly totals, compare the two tariff options. Graph 2 shows what Louie’s would have been charged had they remained on the any time demand tariff that they were on. Graph 3 shows what they have been charged on the new Seasonal Time-of-Use Demand network tariff.

Previously Louie’s were on a tariff with a high threshold for the demand charge. This was clearly no longer the best choice for them. This was partly because, leading up to the move to the new Seasonal Time-of-Use Demand tariff, the retailer made major business changes - reducing the store’s footprint. They also put in place other energy efficiency measures, including smart controllers in their cold room which reduced their summer demand.

The new tariff is now rewarding the liquor barn for the profile of their demand on the network. It presents less fixed costs and provides them with greater choice and control over their energy costs.

“We brought in a consultant to have a look at the business and see how we could be saving money... they suggested that we look at a Seasonal Time-of-Use-Tariff... It would benefit any business to have a look at it.”

ANNA PEDLER, MANAGER, LOUIE’S LIQUOR BARN

IN THE 12 MONTHS, LOUIE’S LIQUOR BARN HAS SAVED OVER $28K
The best way to find out if the new Seasonal Time-of-Use Demand tariff is right for your business is to undertake a formal tariff review. Your electricity retailer, or an independent energy adviser, can let you know the best way to go about this.

To compare the new tariff with the any time demand tariffs, you will need an analysis of your usage profile for the past 12 months. You’ll also need an assessment of opportunities to adjust your energy usage patterns to take advantage of the way the Seasonal Time-of-Use Demand tariff is structured. A good understanding of all aspects of your future energy and demand requirements is important, as once you switch you must remain on the tariff for a minimum of 12 months.

To switch to the Seasonal Time-of-Use Demand tariff talk to your electricity retailer. This new network tariff requires an advanced, remote-read, type-four interval meter. For Ergon Energy Retail customers on the regulated retail tariffs 44, 45, 46 or 47, ask about Tariff 50. For customers in the competitive market or interested in moving to it, simply ask your chosen retailer if they are offering the tariff and if you could benefit.

If you want to know more about our network tariffs in general, visit ergon.com.au/demandtariffs or call Ergon on 1300 550 766.

*Savings based on comparing the Seasonal Time-of-Use Demand network tariff to the any time demand network tariff the customer changed from. Network charges include the Distribution Use of System charges, Transmission Use of System charges and Jurisdictional Scheme charges only, other charges are applied to a retail bill. This customer is with a market retailer, so the savings are passed on as part of their retail bill. Ergon Energy Corporation Limited ABN 50 087 646 062