The Glennie School is an all-girls school in Toowoomba. Catering for 850 students, running 24/7, it has significant electricity needs. Facilities include classrooms and administration offices, as well as boarding accommodation, a commercial kitchen and significant sporting facilities.

In 2015, their energy use was analysed to see if they would be better off under the new Seasonal Time-of-Use Demand network tariff. The school’s boarding house used much of its daily energy outside normal Monday to Friday school or general business hours. Plus, with holidays, they were only at full capacity for 10 months of the year. As a result, the school made the switch. They are now saving around 12% – around $18,000 across 12-months – on their network charges.*

Ergon Energy Network has been able to provide these savings by looking at what drives our network costs and better aligning our pricing signals. Unlike the any time demand tariffs, charges under the new network tariff vary depending on time-of-day, day of the week and the month of the year. ‘Peak demand’ rates only apply between 10am and 8pm during a summer weekday (December, January and February). Cheaper ‘off peak’ rates then apply to demand across the remaining nine months.

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.

**HOW A BOARDING SCHOOL IS SAVING 12% BY SWITCHING TARIFFS.**

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**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**

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.

**HOW the Glennie school got top marks:**

- Lower demand during December and January when electricity rates are highest.
- High winter and weekend electricity usage benefits from ‘off peak’ rates.
- Solar has offset some of the school’s energy use through the day.
You can see in Graph 1 how The Glennie School’s usage profile over 12 months made them a natural fit for the new Seasonal Time-of-Use Demand tariff. This is their main campus; the annual profile of their second site is similar. During the summer school holiday months, both sites use significantly less power. This is because the classrooms, boarding accommodation and kitchen are not in use. They also benefit from relatively mild summers which, along with the lower summer time occupancy levels, means less reliance on summer air conditioning. They then have an increase in electricity use during Toowoomba’s cooler winter months, when the demand charge is much lower, with the additional heating requirements. The school’s management is also active in managing their energy use during the summer. In addition, they have invested in a large solar energy system that reduced some of their daytime energy use from the network.

Graphs 2 and 3 display a comparison of the tariff options – based on the main school campus. Graph 2 shows what the school would have been charged had it remained on the any time demand tariff it was on. Graph 3 shows what the school has been charged on the Seasonal Time-of-Use Demand tariff. The grey portion of the bars highlight fixed costs. The line in Graph 3 provides a direct comparison of the any time demand tariff to the Seasonal Time-of-Use Demand tariff. You can see that while the school saves significantly, they do pay more in the summer months (even with the benefit of much lower summer energy rates). This is especially true when students and teachers return to school in late January.

**STRUCTURED TO SAVE**

The structure of the new tariff provides an incentive for businesses to look at ways to manage or reduce their summer demand profile. That’s because every kW of demand that comes off a site’s maximum ‘peak demand’ delivers real savings. Providing greater choice and control over costs, this rewards customers who can work with the tariff to reduce their summer ‘peak demand’ on the network. Before switching, you’ll need to consider any potential budget implications and the optimal time for you to make the change.

“The new tariff is better for The Glennie School because it encourages us to reduce our demand during the peak period and that matches our business cycle…”

**JASON HOCKADAY, DIRECTOR OF FINANCE, THE GLENNIE SCHOOL**

**IN THE 12 MONTHS, SINCE SWITCHING IN AUGUST 2015, GLENNIE SCHOOL SAVED AROUND** $18K
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.