



Nursery & Garden Industry
Queensland

Energy Plans

While energy efficiency in pumping systems is an important component in reducing energy costs, the cost of electricity must also be factored in, as there can be significant cost savings made by being on the most appropriate tariff and energy plans.

The comparison of tariffs and energy plans is complex, with different companies offering different incentives and different rates. Thorough investigation of the options available is necessary to prevent higher overall energy costs.

The Energy Made Easy website, <https://www.energymadeeasy.gov.au/>, can be used to compare the different energy plans on offer for a particular postcode. On this website, the amount of the most recent energy bill and post code can be input, and a comparison made of the offers available from retail suppliers in that area. If required, more detailed information on each plan can also be obtained.

An understanding of the information contained in an electricity bill is necessary for a comparison of plans to be made. The Energy Made Easy website has an interactive bill explaining the different components of an electricity bill — <https://www.energymadeeasy.gov.au/help/electricity-bill>

An electricity bill may include:

Usage charges, also known as a consumption, variable or energy use charge, is a charge for how much electricity is used. This component is charged in cents per kilowatt-hour (c/kWh).

A daily supply charge known as a service charge, fixed charge, service fee or service to property charge. This is a fee that is charged regardless of the amount of electricity used, and is charged for the use of the service. This amount covers costs that don't depend on the amount of electricity used, such as maintaining poles and wires, and customer administration. The supply charge is usually charged as cents per day, or dollars per billing period. Some



retailers may include metering charges in the daily supply charge, while others may have a separate metering fee.

Demand charges apply to specific optional tariffs, and are based on how much electricity is used at a particular time. Demand charges are billed in dollars per kilowatt of maximum demand over a 30-minute period per month. Other timeframes can apply depending on the tariff.

To make the decision on which energy plan is the most appropriate, a knowledge of the amount of electricity used during different times of the day or month is also needed. Some tariffs have a flat rate regardless of when the electricity is consumed, (single rate tariff), while others have a variable rate depending on the time of day the electricity is being used (time of use tariff).

This data can be gathered by simply learning how to read an electricity meter and taking readings at different times of the day. Alternatively, if a smart meter or energy monitoring system is installed, real time monitoring of energy use is possible. Contact your energy distributor for more information.

A time of use tariff means that electricity costs different prices at different times of the day:

Peak—electricity used during peak periods costs the most. Peak rates usually apply in the evening on Monday to Friday.

Off-peak—electricity is cheapest. Off-peak rates usually apply overnight and on Saturday and Sunday.

Shoulder—electricity costs a bit less than peak but more than off-peak. Shoulder rates usually apply in between peak and off-peak periods.

A time of use tariff plan could be a good choice if most electricity is used during the off peak periods, but on some plans there can be a significant difference in the peak electricity costs that may outweigh the cheaper off-peak power and result in higher costs overall. A time of use tariff plan requires a meter that can measure electricity use at different times of the day e.g. smart meter.

Controlled load or dedicated circuit consumption tariffs are applicable where specific appliance has it's own meter and can be controlled remotely by the energy supplier e.g. electric hot water systems. These tariffs are usually only for appliances run overnight or during off-peak times.

Demand tariffs have regular usage and supply charges, but have additional charges for how intensely electricity is used at a point in time, e.g. highest demand, average peak demand, demand rates in different seasons. A smart meter is required to be eligible for these tariffs.

There are broadly two types of energy plans:

Market retail plans are plans where prices are set by energy retailers and can change at any time. Some retailers may also offer fixed price, price guarantee or price freeze plans where the price is fixed for a certain period.

Standard retail plans are often set by the government depending on the location, and have costs that are generally higher than for market retail plans, and can't change more than once every 6 months. Discounts don't apply with these plans, and there is a minimum time before the electricity is cut off if bills aren't paid. The retailer must also do more to inform customers of price increases.

When comparing plans on offer consider:

- the tariff underlying the plan

- the length of the contract
- fees—account establishment, late payment, disconnection, reconnection, exit fees
- discounts—direct debit, bundling, paperless billing, pay on time
- other special deals (these might be called 'incentives' or 'benefits') e.g. 12 month benefit period
- costs associated with changing providers or other disincentives to change e.g. not being able to return to the original provider
- is a smart meter installed? If there isn't a smart meter installed only use single rate plans can be used
- 'Green energy' (these might be called Green Power plans) to minimise the effect of electricity consumption on the environment.
- is there a solar energy or other renewable energy generation system installed, and if a solar feed-in tariff might be applicable? When considering solar generation consider the size of the system, how much sun it gets, electricity use, energy plan and if a new meter has to be paid for.
- location of the business e.g. regional or metropolitan.

When switching retailers check the following:

- retailer's written summary of the plan
- cooling off rights
- early termination fees on current plan
- can prices change on the new plan, and are any price changes planned
- check on flexible payment options, such as monthly billing.

Available tariffs, energy plans and costs are subject to change during the contract term, so it is best to review the available plans at the time of change. This should be done on a regular basis to ensure the most cost effective tariff is in place. Changes may happen to tariffs but also use patterns in the business may change as the business grows or product mixes change.

Lex McMullin

Farm Management Systems Officer

Nursery & Garden Industry Queensland

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