

Two-way pricing for grid exports



In July 2024, we are introducing an opt-in two-way tariff for new and existing residential and small business customers who are export ready. From July 2025 the tariff will apply to all of these customers. Retailers can choose how they structure this two-way tariff for customers.

Why introduce two-way pricing?

We want to encourage customers to send their exports into the grid later in the day. Over the next five years and beyond, we expect the number and average size of solar systems located in our network to continue to grow. As more residential and small business customers invest in their own energy solutions, they are using distribution networks (like Ausgrid's) to not only receive energy but also to export solar energy back to the grid.

This changing use of our network means the network also needs to change to support the exported energy while continuing to provide a safe, reliable supply to all our customers. There is a cost to making this change; while we expect the total cost increase over in the next five years to be fairly small, it could grow significantly in the future.

This tariff encourages customers to consume their self-generated electricity themselves or time their grid exports to later. It ensures that customers who cannot access rooftop solar systems or behind the meter batteries do not shoulder most of the increased costs.

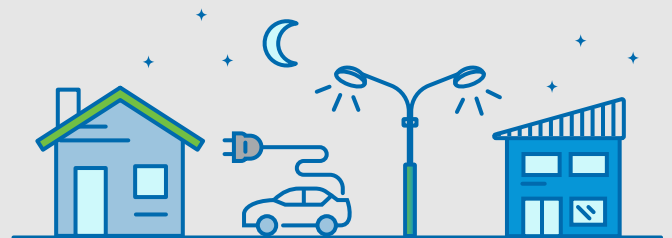
How it works

Customers are charged 1.2 cents/kWh for the electricity they export above a free threshold during the peak export period (10am to 3pm).

10am to 3pm = 1.2c/kWh charge

Customers receive a payment or credit of 2.3 cents/kWh for the electricity exported during the peak demand period (4pm to 9pm).

4pm to 9pm = 2.3c/kWh reward



How much can I export to the network for free?

The amount you can export to the network for free depends on which month of the year your solar system or battery is exporting. **The following free export thresholds apply to energy sent into the Ausgrid network between 10am and 3pm:**

212
kWh

31 day months
January, March, May, July,
August, October, December



205
kWh

30 day months
April, June, September,
November



192
kWh

28 day months
February in all other years



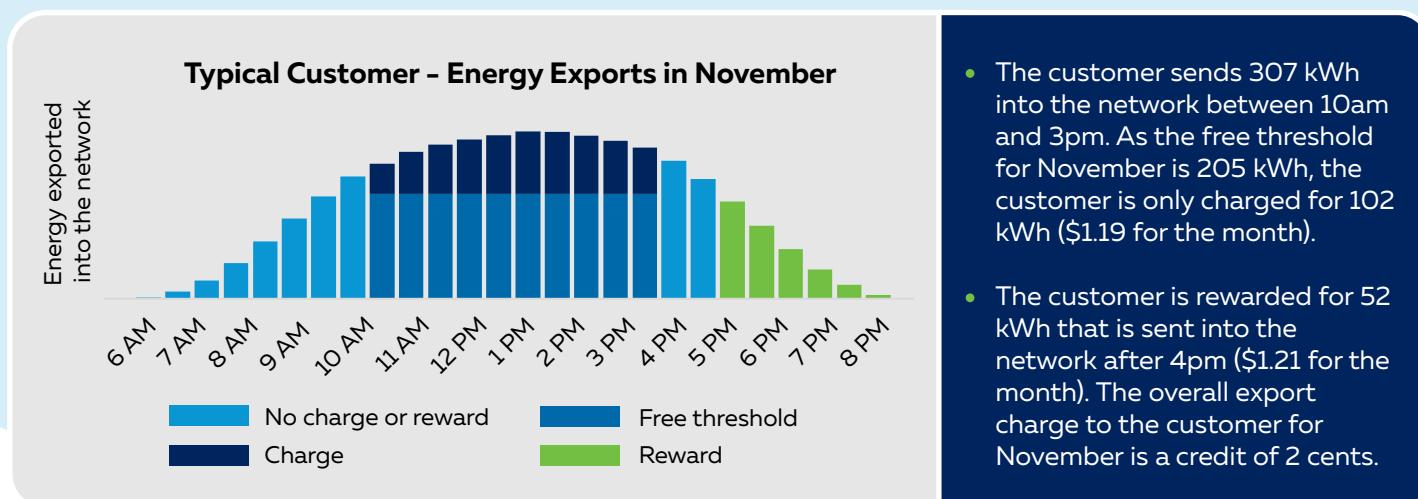
199
kWh

29 day months
February in a leap year



If you change your retailer your free threshold will be apportioned to separate bills for each retailer.

The following example shows how the export tariff and free threshold applies to a customer in November.



What's the likely impact on electricity bills?

Given that the free threshold applies to the charge and not the reward, we think it likely that our two-way tariff would have a very small impact on the electricity bills of most exporting customers.

If the retailer fully passed through our two-way tariff, a typical 5 kW solar customer will see an annual bill increase of \$6.60 per year. This includes \$13.30 a year of charges offset by \$6.70 of export rebate.

Our network prices (and two-way tariff) are passed through to retailers for inclusion in their offers for customers. Our two-way tariff is a different structure to the current feed-in tariffs our customers typically receive from their retailer. It is also a lower price and has a charge component (in addition to a credit). Further, small customer electricity bills don't show our network charges separately. Our charges are bundled together with the other costs of energy supply (including generation, transmission, green schemes and retail costs).

For these reasons, small customers do not see the impact of our two-way tariff directly on their bills. It is likely that retailers will pass on this tariff via changes in the feed-in tariffs they offer customers, by reducing these feed-in tariffs during certain hours of the day and increasing them during other hours of the day.

For further information

- Contact your electricity retailer
- Compare solar and battery feed-in tariff retail offers: www.energymadeeasy.gov.au
- IPART's solar feed-in tariff website: www.ipart.nsw.gov.au/Home/Industries/Energy/Retail-prices/Solar-Energy
- Ausgrid's most recent approved network price list: www.ausgrid.com.au/Industry/Regulation/Network-prices