ena

energy networks association

First Wave			Second Wave

Highly volumetric tariffs	Improved fixed cost recovery	Demand based tariffs	First Wave reform PLUS
FIXED USAGE (c/kWh)	FIXED USAGE (c/kWh)	FIXED USAGE DEMAND (c/kW)	**Voluntary, localised pricing options** » Demand management storage tariff » Back-up supply charges » Critical peak pricing » Peak time rebates **Voluntary incentive (payment) options** » Embedded generation incentives, credits or feed-in tariffs » Ancillary services payments
– Significant cross-subsidies between customers	**+** Reduced cross-subsidies between customers	**+** Minimised cross-subsidies based on customer use of the network	**+** Minimised cross-subsidies based on customer use of the network
– Technology adoption (airconditioning, solar, storage) driven partly by cost shifting	**+** Reduced incentive for technology adoption (airconditioning, solar, storage) to be driven by cost shifting	**+** Economic incentives for technology adoption based on contribution to avoided network costs	**+** Economic incentives for technology adoption based on contribution to avoided network costs
– No reward to shift consumption off-peak	**–** No reward to shift consumption off-peak	**+** Reward to shift consumption off-peak	**+** Reward to shift consumption off-peak
– No 'locational' reward to customers to reduce network costs (through demand management or embedded generation)	**–** No 'locational' reward to customers to reduce network costs (through demand management or embedded generation)	**–** No 'locational' reward to customers to reduce network costs (through demand management or embedded generation)	**+** 'Locational' reward to customers to reduce network costs (through demand management or embedded generation)
– No incentive for new energy markets and services	**–** No incentive for new energy markets and services	**■** Some incentive for new energy markets and services	**+** Incentives for new energy markets and services