



ESB Customer Supply

Submission

on

The Time-of-Use Tariffs

(All rates are applicable for the period 1st January 2010 to the 30th September 2010)

For

The Smart Metering Customer Behaviour Trial

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Document Status: V 4.1

Background

The National Smart Meter Plan is managed by the Commission for Energy Regulation (CER) with the support of the Department of Communications, Energy & Natural Resources, Sustainable Energy Ireland, ESB Networks, ESB Customer Supply and the electricity and gas industry in Ireland

Customer behaviour trials will be undertaken with Domestic & SME electricity customers in 2010 to ascertain the potential for smart metering enabled energy efficiency initiatives to effect measurable change in consumer behaviour in terms of reductions in peak electricity demand & overall energy use. Smart metering facilitates new types of electricity pricing that will encourage customers to transfer some of their electricity usage away from times of the day when demand for electricity is at its peak i.e. Time of Use Tariffs. Instead of one price per unit (which most customers pay at the moment), there will be three different prices, depending on the time of day you use electricity. The actual prices to be used in the trials are calculated based on the prevailing standard residential tariff as at 1st October 2009.

On the 6th July 2009 a document setting out a tariff structures calculation methodology was submitted to CER for approval. CER requested modifications and these were submitted on 15th September 2009. Following discussions at the Smart Metering Steering Group meeting of 17th September 2009 a revised tariff matrix was proposed for the Domestic time-of-use behavioural trial. This is now included in this document.

Tariff Guiding Principles

The principals outlined below were used in the design of the time-of-use tariffs to ensure that the key objectives of cost neutrality and cost reflectivity were achieved:

- The time-of-use tariff will be neutral in comparison with the standard PES supplier tariff to ensure that the “average” customer who does not alter their electricity consumption pattern will not be penalised financially
- The Base time-of-use tariff will reflect the underlying cost of energy transmission, distribution, generation and supply as per standard tariffs.
- The time-of-use structure (time bands) will be based on system demand peaks
- Tariffs are based on the cost inputs used in the 2009/10 regulated tariffs.

The methodology & principles used in calculating the Time of Use Tariff prices for 2010 is based on what has been agreed by CER and the electricity industry via the Smart Metering tariff forums.

Domestic time-of-use tariffs

The following are the proposed time-of-use **General Unit Charges** for the actual units of electricity in Kilowatt hours (kWh) as measured by the meter for Domestic customers on the customer behaviour trial:

Domestic				
Time Of use Tariff				
Tariff Components		Night 23.00 to 08.00am	Day 08.00 to 17.00 19.00 to 23.00	Peak 17.00 to 19.00 (Mon-Fri) Excluding bank holidays
tariff (A)	Cents per kWh	12.00	14.00	20.00
tariff (B)	Cents per kWh	11.00	13.50	26.00
tariff (C)	Cents per kWh	10.00	13.00	32.00
tariff (D)	Cents per kWh	9.00	12.50	38.00

Standing charges are at the current applicable rate (€0.2520 per day for Urban 24hr and €0.3360 per day for Rural 24hr).

All rates are applicable for the period 1st January 2010 to the 30th September 2010¹.

A weekend tariff rate will also be tested with the following rates:

Domestic – Weekend				
Time Of use Tariff				
Tariff Components		Night 23.00 to 08.00am (Mon-Fri) and all weekend	Day 08.00 to 17.00 19.00 to 23.00 (Mon-Fri) excluding bank holidays	Peak 17.00 to 19.00 (Mon-Fri) Excluding bank holidays
tariff	Cents per kWh	10.00	14.00	38.00

General purpose time-of-use tariffs

The following are the proposed time-of-use **General Unit Charges** for the actual units of electricity in Kilowatt hours (kWh) as measured by the meter for General purpose customers on the customer behaviour trial:

¹ These tariffs are subject to review at the 1st October 2010 in line with all regulated tariffs

ESB Customer Supply Proposal for Smart Metering Tariff 2010

General purpose				
Time Of use Tariff				
Tariff Components		Night 23.00 to 08.00am	Day 08.00 to 17.00 19.00 to 23.00	Peak 17.00 to 19.00 (Mon-Fri) Excluding bank holidays
tariff (A)	Cents per kWh	14.00	15.00	22.00
tariff (B)	Cents per kWh	7.50	16.00	22.50

Standing charges are at the current applicable rate

All rates are applicable for the period 1st January 2010 to the 30th September 2010²

Approval

In accordance with its licence conditions, as the Public Electricity Supplier (PES) ESB Customer Supply now seeks approval to apply the tariffs proposed herein for use in the Customer Behaviour Trial (CBT).

² Ditto