



ESB Customer Supply

Submission

on

The Time-of-Use Tariffs

(All rates are applicable from 1st October 2010)

For

The Smart Metering Customer Behaviour Trial

Issue Date: 3rd September 2010

Document Status: Final

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 were 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 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), there are three different prices, depending on the time of day you use electricity. The actual prices used in the trials to date were calculated and based on the prevailing standard residential tariff as at 1st October 2009.

In order to commence the trial, ESBCS submitted a proposal to CER in July 2009 for approval, this document set out proposed tariff structures and calculation methodology. CER requested certain modifications; these were incorporated and submitted to CER in mid September 2009. Later in September, following discussions at the Smart Metering Steering Group meeting ESBCS proposed and sent a revised tariff matrix for the Domestic time-of-use behavioural trial. For clarity, this document is again included in this submission 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 is neutral in comparison with the standard PES supplier tariff to ensure that the "average" customer who does not alter their electricity consumption pattern is not penalised financially
- The Base time-of-use tariff reflects the underlying cost of energy transmission, distribution, generation and supply as per standard tariffs.
- The time-of-use structure (time bands) are based on system demand peaks
- Tariffs are based on the cost inputs used in the regulated tariffs.

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

Proposal from 1 Oct 2010

On 1st September 2010 CER approved ESBCS's submission¹ to keep 1st October 2010 domestic tariffs at the same rates as 2009/2010. The only exception being the addition of the Public Service Obligation (PSO) levy which all suppliers, including ESBCS, are mandated to apply from October 1 2010 to September 30th 2011 inclusive.

Consequently, ESBCS proposes that, other than the application of the PSO Levy, there will be **no change to the prevailing Domestic and General Purpose Time of Use Tariffs** from 1st October 2010.

PSO Levy 2010/2011

The PSO levy is a legislative requirement to support the purchase of electricity from specified sources including sustainable, renewable, and indigenous sources. The policy and terms of the PSO are mandated by government and approved by the EU. The CER calculates the charge in accordance with relevant legislation and is applied to customers by all electricity suppliers in the Republic of Ireland.

In recent years the PSO Levy has been set at zero. However, for the 2010/11 tariff year² the PSO levy has been set at € 2.73 per domestic customer per month. The PSO levy for General Purpose customers has been set as follows:

Commercial Customers with a Maximum Import Capacity (MIC) < 30kVA = € 8.25 per month

Commercial Customers with a Maximum Import Capacity (MIC) >=30kVA = € 1.15 kVA

¹ CER 10/152

² CER/10/131

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).

The PSO levy has been set at € 2.73 per domestic customer per month

A weekend tariff rate will continue to 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:

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

The PSO Levy has been set at € 8.25 per month for customers with MIC < 30kVA

The PSO Levy has been set at € 1.15 kVA for customers >=30kVA

Approval

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