

# Tariff review highlights opportunities to save

Case Study developed by AgriTech Solutions

Sam & Bessie Orr are investigating ways to reduce their energy costs by participating in the Proserpine Irrigation Project (PIP).

Reducing on-farm energy costs allow farmers to improve their financial sustainability, productivity, competitiveness and environmental stewardship.

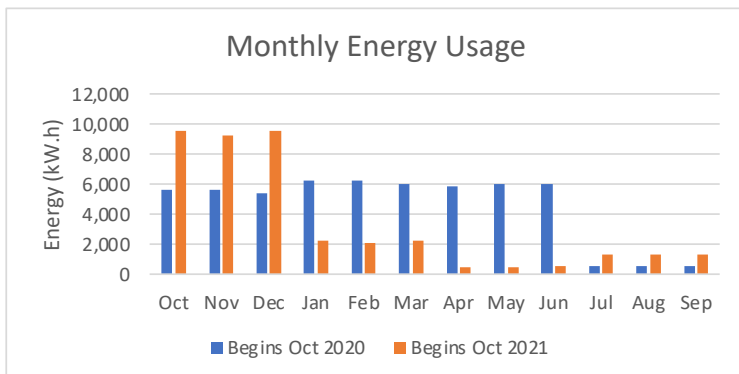
## Reviewing Tariffs

The first strategy undertaken was a Level 2 Tariff Review. Bessie supplied Sugar Services Proserpine and AgriTech Solutions with two years of energy records from their turbine pump. The tariff review compared the cost of the current tariff (general supply tariff 20) to all tariff options available for this account.

## Annual usage does vary

Using multiple years of energy records allows high and low usage patterns due to weather variability and other factors to be observed and considered.

For this account, almost 55,000 kW.h of energy was used in the 12-month period between Oct 2020 and September 2021. However, in the following 12-month period, ending September 2022, only 41,000 kW.h was used. Variations in annual energy usage are common across the Proserpine region.



**Figure 1.** Energy usage can have large variations and usage patterns due to rainfall and other factors.



## QUICK FACTS

**Landholder:** Sam & Bessie Orr

**Location:** Foxdale

**Area:** 99ha

**Deliver Provider:** AgriTech Solutions

### Project:

The Reef Trust VII - O'Connell and Proserpine Basins Water Quality Project is funded by the Australian Governments Reef Trust and administered through Reef Catchments Pty Ltd. The project aims to improve water quality entering the Great Barrier Reef from broad-scale land use, to increase resilience and health of the Great Barrier Reef and to increase awareness and adoption of land management practices that improve and protect the conditions of soil, biodiversity and vegetation.



**The Orr's turbine pump**

## Creating a baseline energy cost

To create a common baseline, the review used the Ergon Small Business Tariff pricing set on 1st July 2022. Along with Tariff 20, another 8 tariffs were analysed. While several tariffs had the potential to lower the energy cost, only two results are shown below.

Economy Tariff 33 had the greatest potential saving of approximately 30%, or more than \$8,000 over the two-year period from Oct 2020 to September 2022. Based on this saving, typical upgrade costs would have been paid back within 2 years.

**Table 1.** Energy usage patterns (time of the day and which day) along with the energy demand (rate at which energy is used) will affect the overall cost of energy. A tariff review examines the impact of both factors on energy cost. Note: 2\*\* uses the draft prices that are expected to apply from 1 July 2023. All prices include GST.

Year	kWh	T20	T33	T24A
1	54,707	\$15,780	\$10,961	\$16,953
2	40,641	\$11,854	\$8,274	\$11,333
2**	40,641	\$15,641	\$9,284	

If the draft prices, expected on 1 Jul 2023, were applied to the Year 2 energy usage the T20 cost would have increased by \$3,800. Tariff 33 would have increased by \$1,000. The difference between T20 and T33 would now be almost \$6,400.

## Review process

To help the Orrs understand the rules and conditions for each tariff, the report was followed up with discussions. This is very important as it identifies potential limitations not suited to your circumstances as well as fixing up misconceptions about some tariffs.

## Next steps

Before Sam and Bessie decide to change tariffs, they will obtain an electrician's quote to upgrade their existing metering site to accommodate a different tariff (Note: not all tariffs will require an upgrade).

## Keep updated

Queensland's energy tariffs and pricing has frequently changed over the past decade. On July 1st, an updated tariff list and pricing will be issued.



For more information contact:

Stephen Attard, [steve@agritechsolutions.com.au](mailto:steve@agritechsolutions.com.au), 0418 155 844; or

Frank Millar, [frank.millar@sugarpros.com.au](mailto:frank.millar@sugarpros.com.au), 0419 679 427

The Targeted support to maximise soil, biodiversity and vegetation outcomes in the O'Connell and Proserpine basins of the Mackay Whitsunday NRM region Project is funded by the Australian Government's Reef Trust.

