

IT'S NOT ALL ABOUT CONSUMPTION (KWH)

For many decades small market energy consumers were being simply charged for the power they consumed in the form of kWh (KiloWatt Hours). Now it is more complex.

BUNDLED VERSUS UNBUNDLED

Large market energy users have always had an 'unbundled' power bill, where all the charging elements are listed separately.

There are many participants in the electricity supply chain (see Image 1). With an unbundled power bill you can see all charges and fees separately. On top of the supply chain charges and fees, state and federal governments apply additional charges for:

- $\hfill \square$ Costs to govern power industry authorities (AEMO and CER)
- ☐ Environmental program costs at state and national levels

INTRODUCTION OF DEMAND (KVA)

Recent years have seen demand (kVA) changing as a separate line item in small market bills - both for small businesses (SME's) and for residential power bills.

One explanation is that solar PV, if levied on a monthly or annual basis, struggles to dilute demand charges.

OTHER FEES AND CHARGES

We've mentioned additional government charges for running governing authorities and government environmental programs.

In addition, electricity retailers (or their brokers) have other fees for providing meters and reading these meters.

IMAGE 1

ELECTRICITY SUPPLY CHAIN

Transmission Lines

Carry electricity long distances.

Many large energy users, like
mines, take their electricity supply
at this point by purchasing
wholesale electricity directly from
generators to ensure price
certainty.

Electricity Retailers

Purchase wholesale energy from generators and on-sell to homes, office and businesses.

Energy Users

Homes, offices and factories use electricity for lighting and heating and to power appliances.



Fossil fuel generators

Produce electricity from

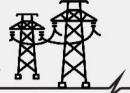
sources including

coal, gas, solar, water,

wind, biomass and

aeo-thermal.















Generator Transformer

Converts low voltage electricity to high voltage for effecient transport.

Distribution Transformer

Converts high voltage electricity to low voltage for distribution.

Distribution Lines

Carry low voltage electricity to consumers.





Some homes have solar panels. Excess electricity generated is transferred back into the grid or into their own battery storage system.