Support for the widespread availability of Time-of-Use power tariffs for consumers

Flex-Able is a specialist technology company that provides solutions for consumers who participate in electricity flexibility. We are writing to express support for the broader availability of time-of-use (TOU) power tariffs to consumers.

As an engaged and active member of the electricity community and an advocate for sustainable energy practices, expanding the availability of TOU tariffs will significantly benefit consumers, the environment, and the broader electricity grid. We see this as an essential interim step to incentivise and realise the benefits of broader flexibility uptake in a timely manner.

While we generally agree with the solutions proposed, we suggest the following is considered.

- Small to medium-sized commercial/ industrial businesses should be included in any changes, including direct marketing explaining the incentives for businesses to shift to time of use.
- Current metering arrangements for businesses that are unsuitable for TOU should be upgraded as required and should not inhibit the uptake of TOU and the resulting energy flexibility benefits.
- TOU plans for participating businesses should meet a minimum expectation stipulated by the Electricity Authority to provide 1. Meaningful incentive to alter behaviour. 2. Off-peak or night pricing passed to consumers that is genuinely reflective of the wholesale market differential between peaks and off-peak/super off-peak times and not a token 1 or 2-cent gesture.
- We strongly support the uptake of electricity distribution network pricing with a structured TOU component reflecting peak usage times. This needs to be passed directly to consumers via retailers.
- A TOU consumer awareness campaign and marketing should be established and include behind-the-meter products available to assist consumers with TOU. This should include technology that is not directly linked to electricity retailers.

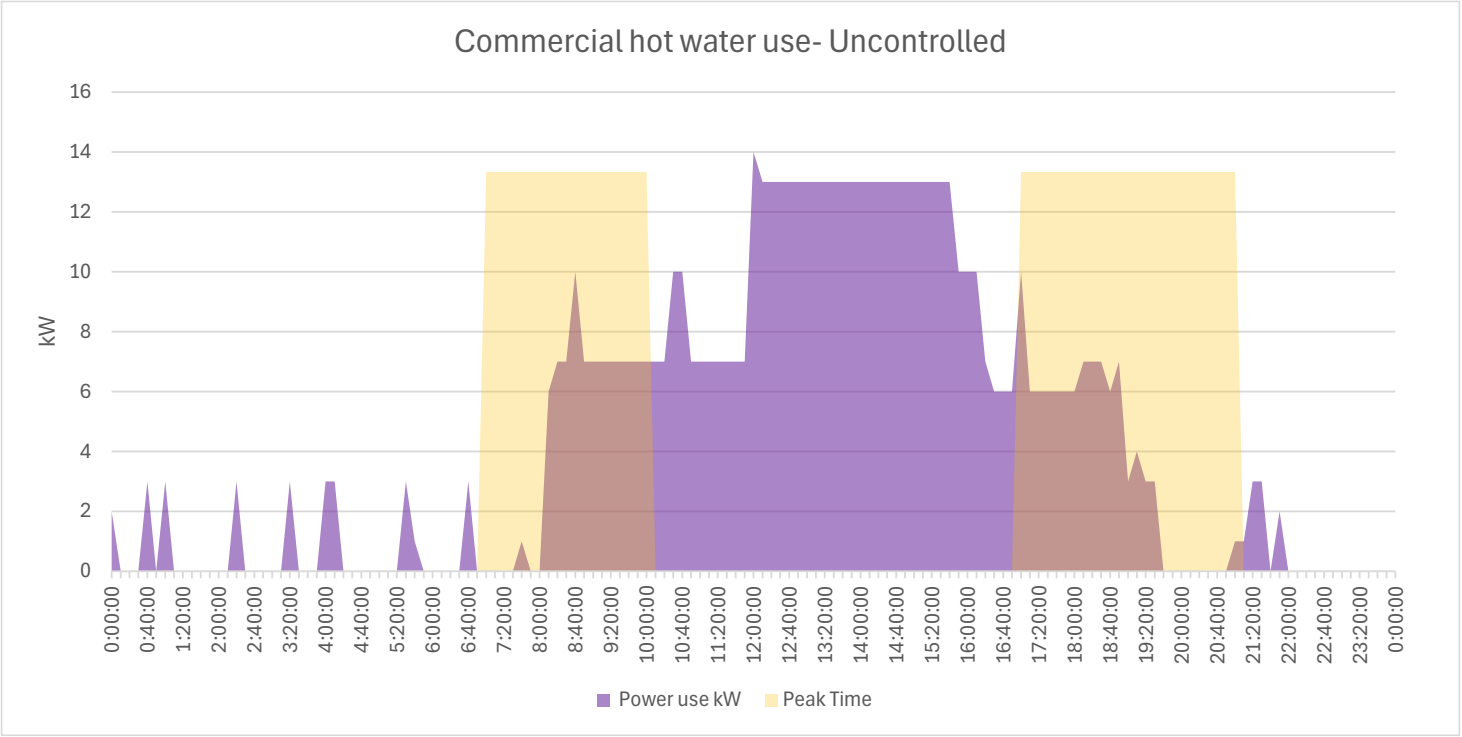
We make these recommendations for the following reasons.

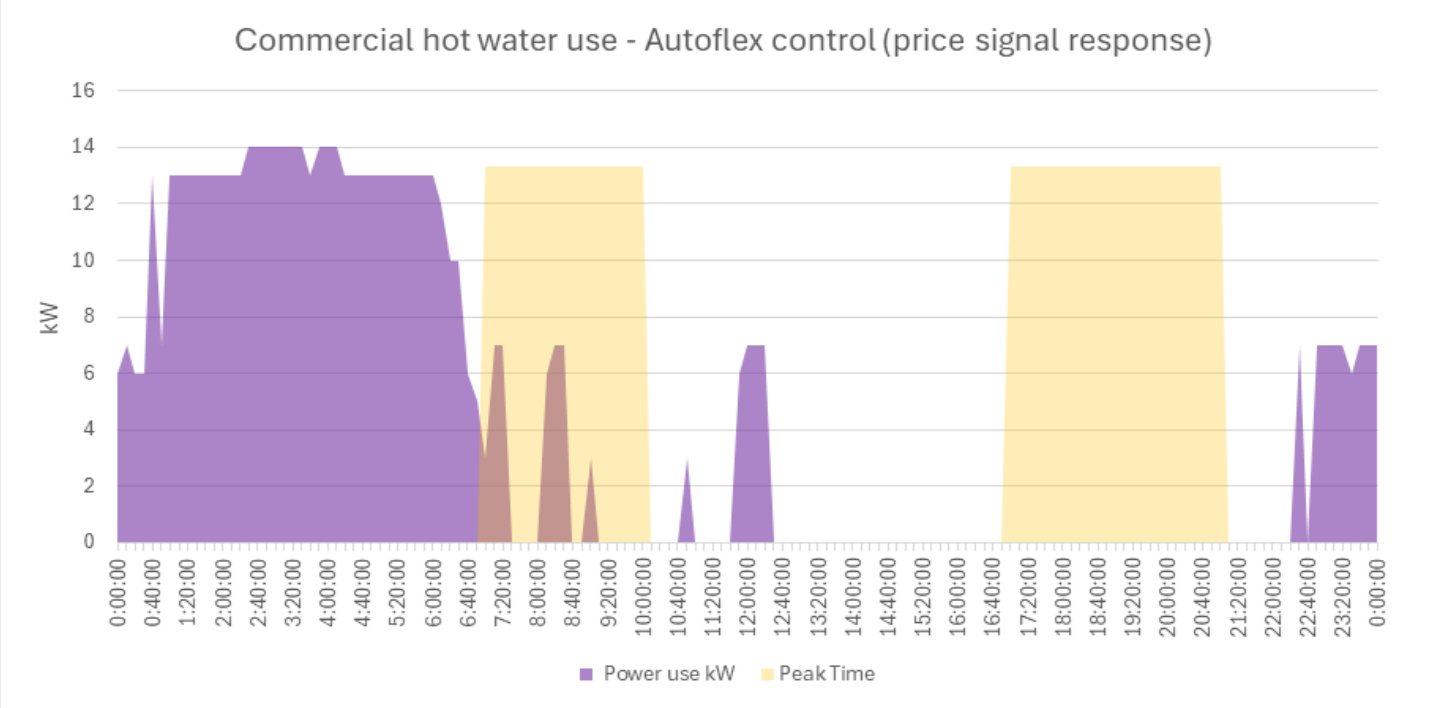
- We engage with commercial/industrial businesses on a day-to-day basis, and there is a strong willingness to engage with flexibility via meaningful time-of-use tariffs.
- Flexibility technology is commercially available now to assist businesses to automate load shifts in response to TOU. This dramatically improves load shift and reduces the negative impacts of load inadvertently being used in high-price periods.
- Broader deployment of technology assisting businesses will drive innovation and will ultimately lead to quicker deployment of the same technology in the residential market at a suitable price point.
- Commercial and small industrial businesses have a much larger potential to shift load in some cases, compared to residential consumers. (See Appendix A)

- Suitable metering technology to implement TOU plans for businesses is widely available. The costs to install this metering in the small number of sites that may need upgrading is economically insignificant compared to the benefits for consumers and the wider electricity system.
- Effective business TOU plans will incentivise businesses that are supplied electricity via retailers but are not large enough to be involved in direct market interaction through DD or DNL. The lack of uptake in DD/DNL is a known issue, and if the settings for TOU are set correctly, it will go a long way to improving the uptake of flexibility for smaller businesses.

If correctly applied, broader uptake of TOU is an essential initial step to realising the benefits of electricity flexibility sooner rather than later. We already see substantial benefits realised by TOU participating consumers, and the technology commercially available to support consumers is growing and improving daily. This technology greatly improves TOU results for the electricity network while reducing the downside risk for participating consumers.

Appendix A – Example of commercially available flexibility technology responding to time of use.





Description: A 14kW hot water system, with most heating shifted between midnight and 7 am. There is only a small amount of standby heat during the morning peak and none in the evening peak. **A 79% reduction in peak power consumption. Key points:** This site hasn't changed its on-site behaviour for this time of year. They are a functioning business; hot water is required daily. This process is automated to support the business.

Format for submissions

Submitter	Flex-Able Ltd

Questions	Comments
Q1. Do you agree the issues identified by the Authority are worthy of attention? If not, why not?	Yes
Q2. Which option do you consider best addresses the issues and promotes the Authority's main objective? Are there other options we have not considered?	Full proposal, not watered down
Q3. Should we require retailers to offer a price plan with time-varying prices for both consumption and injection? Why or why not?	yes, this is fair
Q4. Do you have any feedback on the design requirements?	
Q5. Is there a risk that injection rebates will not be passed through to the consumers targeted? If so, how could we safeguard against this risk?	
Q6. Which retailers should be captured by the proposal and why?	5%, as per four-part solution
Q7. What are your views on the proposed timeframe for implementation of 1 January 2026? Would 1 April 2026 be preferable, and if so why?	Sooner the better
Q8. What are your views on Part 2 of our proposal that would require retailers to promote the time-varying price plans?	See our additional information
Q9. What should the Authority consider when establishing the approach to and format of the reporting regime?	
Q10. Should the Authority include a sunset provision in the Code, or a review provision? Why?	Undecided, good to review at 5 years
Q11. What are your overall views on Part 3 of the proposal?	See our additonal information
Q12. What are your views on Part 4 of our proposal to amend the Code to require that consumers are assigned to time-varying distribution charges, that retailers provide half-hourly data to distributors for settlement	See our additonal information

Questions	Comments
Q13. Do you agree with the objective of the proposed amendment? If not, why not?	Yes
Q14. Do you agree the benefits of the proposed amendment outweigh its costs?	Yes
Q15. Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objectives in section 15 of the Electricity Industry Act 2010.	Yes, with some additonal considerstions for modern technology becoming available
Q14. Do you agree the benefits of the proposed amendment outweigh its costs?	Yes