



**Business
Chamber**
QUEENSLAND

HOW TO READ YOUR POWER BILL

To get serious about being energy efficient, you need to get serious about understanding your power use. That means taking the time to carefully read your power bill and understand what it means.

ACCOUNT SUMMARY

Here's where your electricity charges can be seen in one place. It can include the amount you owe, amounts you've paid, overdue amounts and rebates.

NATIONAL METER IDENTIFIER (NMI)

The electricity meter at your property has its own National Meter Identifier (NMI) number. More than one meter? Then you'll have more than one meter number on your bill, usually all under the same NMI.

RETAILER CONTACT DETAILS

Your retailer bills you for your electricity and is your first point of contact.

DISTRIBUTOR CONTACT DETAILS

Your distributor owns the poles, wires and meter that connect you to the electricity network, and is responsible for faults or emergencies with your power supply. Your distributor — Energex in south-east Queensland and Ergon everywhere else in Queensland — charges your network charges for volume, demand and service availability. On the front page of your bill, your distributor's contact details are generally on the right-hand side. Contact details for your distributor are shown separately on some bills or as a contact number for emergencies.

TARIFF NAME

This is the name of the tariff or plan you are on. It's usually on the front page. If your tariff name isn't shown, contact your retailer.

USAGE CHARGES OR ENERGY CHARGES

This shows your total peak and off-peak usage in kWh, and is the amount of electricity your business used over your billing period. This is your negotiated rate from your energy retailer.

SUPPLY CHARGES

These are a service fee paid per day for being connected to the network.

ENVIRONMENTAL SCHEMES / RENEWABLE ENERGY CHARGES

LRES and SRES rates reflect the current cost of participating in the Renewable Energy Target Scheme.

NETWORK CHARGES

Network charges cover the costs involved in transporting the electricity from the electricity generators, across the electricity transmission and distribution networks, to a site. They are annually reviewed by the network and approved by the government.

DEMAND

This is the largest 30-minute peak total of real power (kW) and reactive power (kVAr) that you used during the billing period.

MARKET OPERATOR CHARGES

This section shows your market charges. These charges are paid to the Australian Energy Market Operator (AEMO) to operate and maintain the National Electricity Market (NEM). AEMO ancillary charges are fees for activities undertaken to ensure safe and secure power delivery while maintaining the integrity and stability of power generation and energy demand.

METERING CHARGES

These are charges passed on by your retailers for your meter services provided to you. These charges are sometimes included in your daily supply charges.

While this guide can help you have a better understanding of your electricity bills and usual charges associated with them, bills vary from retailer to retailer as well depending on the type of plan and services you receive. Many retailers have their own electricity bill guides. Here are links to some common ones:

Billing Guide - [Electricity Bill Explained | EnergyAustralia](#)

[Read Your Energy Bill | Help and Support | AGL](#)

[How To Read Your Bill | Bill Explainer | Origin Zero](#)

Understanding your bill - [Ergon Energy](#)

Energy Bill Explainer - [Electricity & Gas | Shell Energy](#)

Red Energy - [Understand Your Energy Bill](#)

How To Read Your Bill - [Alinta Energy](#)

Have you tried negotiating a better deal for your business?

Once you have a good handle on your usage and billing, you can try to negotiate a better deal from your energy retailer. You can negotiate energy charges for peak and off-peak usage. Since the electricity market in south-east Queensland was deregulated in July 2016, electricity pricing has reflected market forces rather than the Queensland Competition Authority. In the long term, this will mean a greater choice of electricity providers and more competitive plans. The Australian Government's business portal, business.gov.au, offers six negotiating tips:

1) PROVIDE DETAILED USAGE DATA

Be prepared to show your energy provider at least a year's worth of data containing your energy use for each half-hour period. That will show them your peak, shoulder and off-peak usage and maximum demand, and this can influence the consumption charges you pay.

2) EXAMINE YOUR CONTRACT

If you're a small business on a market retail contract, ask your retailer about the terms and conditions. Pay particular attention to details on pricing and any discounts, such as those for on-time payment. If you're on a negotiated contract, review it carefully before you make any changes. Look for special clauses, like a 'take or pay' condition that means you still have to pay even if you use less than the minimum amount of energy.

3) SHOP AROUND

You can easily do an online search to see how your energy contract compares to similar businesses, or talk to an energy broker.

4) NEGOTIATE AT A CHEAP TIME

You don't have to wait until the end of your contract to look for a better fee. While you do need to consider cancellation or exit fees, see if you can negotiate on a low-priced day or when market prices are generally low. Find out more about how energy prices fluctuate: <https://www.energy.gov.au/business/energy-management-business/large-energy-users>

5) CHOOSE THE BEST CONTRACT PERIOD

You can control the length of your contract to save money. In a rising market, where current prices are cheaper than expected future prices, it may be better to choose a longer contract. When prices are high and expected to fall, choose a shorter period and buy cheaper for longer, later.

6) PLAN FOR THE FUTURE

It's important to consider any major business changes ahead. If you plan to expand your operations, consider a shorter contract and then reassess your energy needs

As a consumer, you have the right to a 10-day cooling-off period if you change your mind about your new energy retailer.

POWER FACTOR CORRECTION

Understanding power factor correction is a powerful tool in the hands of any business. This is a charge on your electricity account that you can control and reduce without turning off equipment. Power factor is how effectively your business uses the electricity supplied to it. It's expressed as a ratio of the real power you use (in kilowatts) divided by the apparent power supplied to you (kVA).

As a simplification, reactive power is the difference between real power and apparent power: it's the non-working power delivered to your business that you don't use. That power can be dissipated by any equipment – such as an inefficient motor or transformer – on any business site. Power factor is measured on a scale between -1 and 1, with 1.0 representing optimal energy efficiency. Increasingly, energy distributors are looking to change to charging you for the power they are supplying (kVA) rather than the power you use (kW), temporarily storing energy. It also helps to rectify any overloading issues and gives you the chance to expand what you have without upgrading expensive transformers or supply equipment. If you invest in a properly designed power factor correction system, you can expect to recover your costs within two to three years, but sometimes in as few as six months.

as they still need to generate this power even though it is being wasted. If you are charged for your kVA demand, power factor correction systems, such as capacitor banks and controllers, can minimise wasted energy and improve plant efficiency by temporarily storing energy. It also helps to rectify any overloading issues and gives you the chance to expand what you have without upgrading expensive transformers or supply equipment. If you invest in a properly designed power factor correction system, you can expect to recover your costs within two to three years, but sometimes in as few as six months.

VOLTAGE OPTIMISATION

Did you know the voltage delivered to your company could be higher than it should be, and it may be costing you thousands? Approximately 70 per cent of Australian businesses are receiving voltage at a higher level than required. Reducing your voltage can mean reduced costs. When your company is running on a higher voltage than required, it is a little like driving your car with your foot flat to the floor. Most Australian equipment is designed to run at a particular voltage and when it receives a higher voltage it will not run at an optimum state. Just like your car, you will use more energy to arrive at the same destination and the chance of equipment failure along the way is higher. Voltage optimisation brings the voltage within your premises to the optimum level for the efficient and safe operation of your equipment. When your equipment receives voltage within this optimum range, it consumes less power and lasts longer resulting in significant financial savings for your business.

