



Curtin University

# TARIFF REFORM AND ENERGY VULNERABILITY

Tom Houghton, Curtin Graduate School of Business

# PRICE REFORM PILOT PROJECT

Curtin / WACOSS's role to provide independent assessment of impact on vulnerable customers

Choose your residential power plan

Plan	Power Capacity	Price	Peak Allowance	Peak Period	Peak Price	Notes
S	1.5 kW	\$30.13	+ 10 cents	8:00am - 8:00pm	\$400	Standard plan
M	3 kW	\$26.60	+ 10 cents	8:00am - 8:00pm	\$400	Standard plan
L	5 kW	\$42.50	+ 10 cents	8:00am - 8:00pm	\$400	Standard plan
XL	7 kW	\$58.45	+ 10 cents	8:00am - 8:00pm	\$400	Standard plan
XXL	10 kW	\$80.33	+ 10 cents	8:00am - 8:00pm	\$400	Standard plan



3.000kWhs Power Plan (3kW)

Peak allow up to 2kW

**\$26.60 per week**

8 cents per kWh (incl GST)

8 cents per kWh (incl GST)

Manage your usage

Managing your peak load

- Capped peak time (max 30 mins) + \$400 discount
- Capped peak time (max 1 hr) + \$200 discount
- Capped peak time (max 2 hrs) + \$100 discount
- Capped peak time (max 4 hrs) + \$50 discount



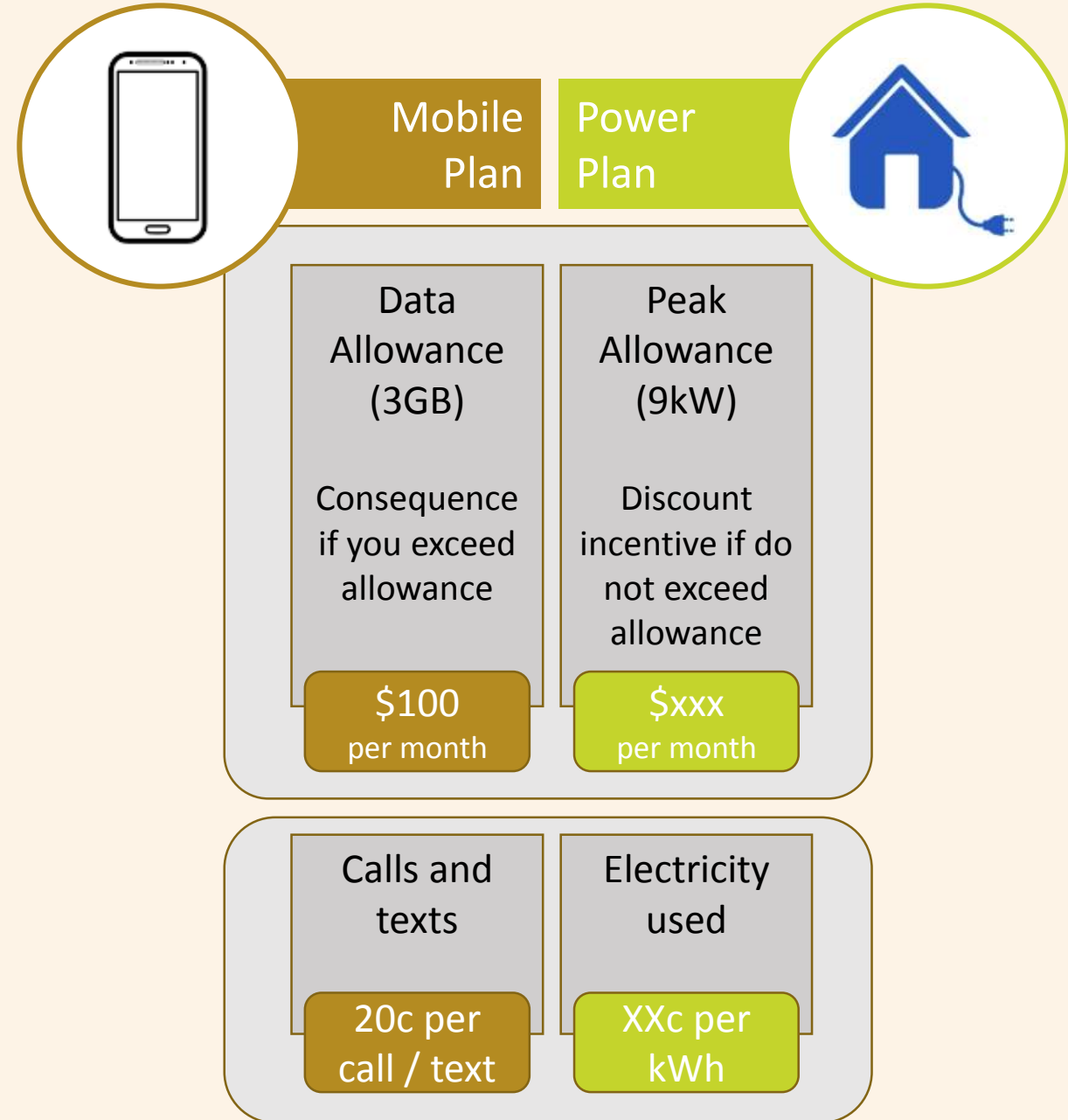
# “POWER PLANS” LEVERAGE MOBILE PHONE LITERACY

Power Plan drivers are that:

- **Peak capacity** is disproportionately **costly** and should be **reflected in prices**
- Customers want more **visibility on bills** (less seasonal variability)

Earn **discounts** for **staying within allowance** during peak (summer, 1–8pm)

Free app which provides **alerts if likely to exceed** allowance



# “POWER PLANS” LEVERAGE MOBILE PHONE LITERACY

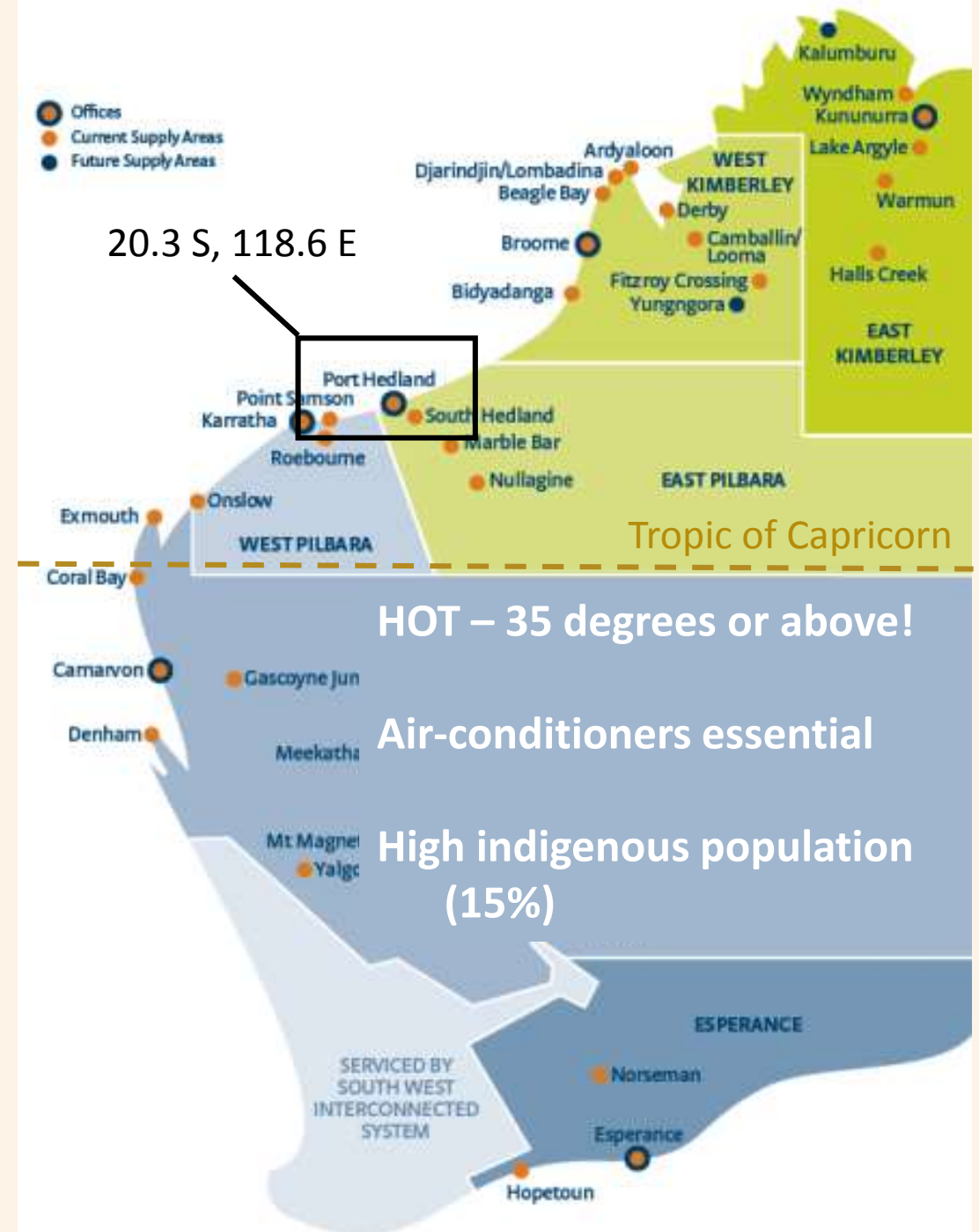
Power Plan logic is that:

- **Peak capacity** is disproportionately **costly** and pricing should reflect this
- Customers want more **visibility on bills**

Earn **discounts** for **staying within allowance** during peak (summer, 1–8pm)

Free app which provides **alerts if likely to exceed** allowance

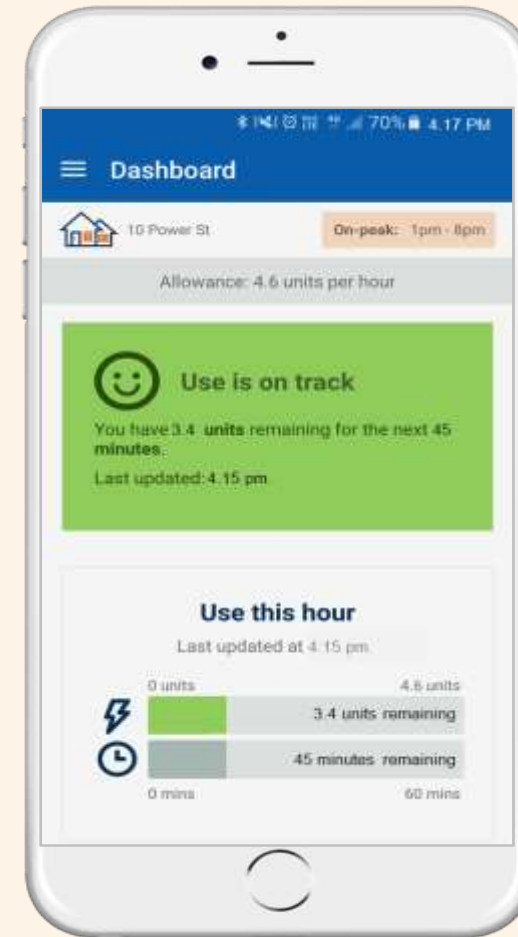
During trial incentives lost only if exceed after alert sent



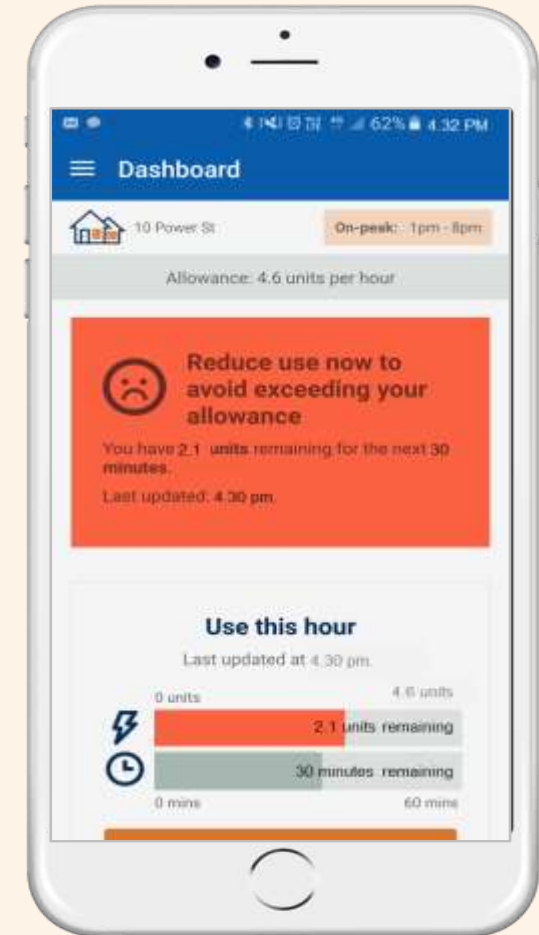


# COMMUNICATING WITH PARTICIPANTS

- Smartphone users downloaded an **app to monitor usage**
- **Alerts** when in danger of exceeding allowance and **historical consumption**
- **Tips** on how **to reduce** consumption
- Lots of **individual support** especially with vulnerable customers
- **Visual** and straightforward



😊 **Green = Good**



☹️ **Red = Take action**

# ISSUES WITH USE OF THE APP FOR COMMS

- What about folk who did not have a smartphone?
  - Text message alert options
  - Certain number of participants in hardship were provided with a smartphone
- Response to the app was generally positive...
- ...but vulnerable customers consistently reported acting on alerts less (10%) than non-vulnerable customers in survey
- Led us to reflect on whether this indicated that:
  - The means of communication were not effective for all customers – do certain groups require other means / methods?
  - Customers lacked the knowledge of what to do to reduce consumption – vulnerable customers reported not knowing how to get best out of a/c
  - Lacked capacity to reduce consumption any further as a result of alerts – poor housing insulation and tenure an issue