



NSWIC

NEW SOUTH
WALES

IRRIGATORS'
COUNCIL



COTTON
AUSTRALIA

A Trial Program to Achieve Better Electricity Prices

NSW Irrigators' Council and Cotton Australia

Progress Update

Introduction:

NSWIC and Cotton Australia are conducting an electricity trial to negotiate a 'group electricity discount' for irrigators in NSW. The negotiations will be held with various electricity providers in NSW and the discussions will be centred around the electricity usage cost component.

We have so far received and aggregated data from 7 participants. The table below shows the area and data scope that is currently available;

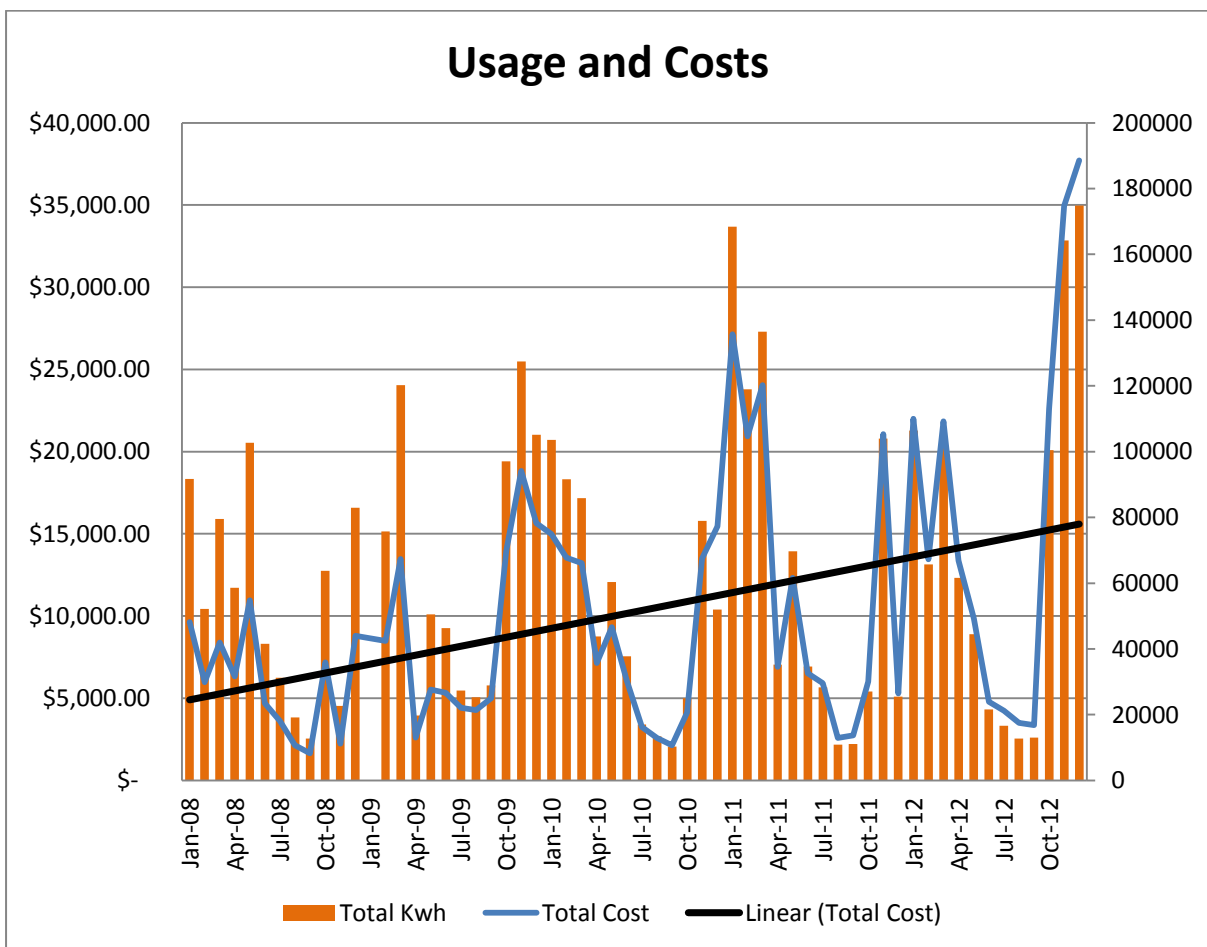
	Area	Time Period
1	Moree	2007/08-2012/13
2	Deniliquin	2010/11-2011/12
3	Moree	2011 and 2012
4	Dubbo	Jan and Feb 2013
5	Dubbo	Jan and Feb 2013
6	Griffith	May 2008 - March 2013
7	Lachlan	Yearly aggregates only 2002 to 2013

Preliminary Results;

While we continue to expand the current data set, we gained some insight into the electricity cost distribution and usage patterns of individual irrigators in NSW¹.

1. Usage Pattern

Electricity usage displays great variability both within and across years. The black trend line shows the direction of overall electricity cost increases over the years.

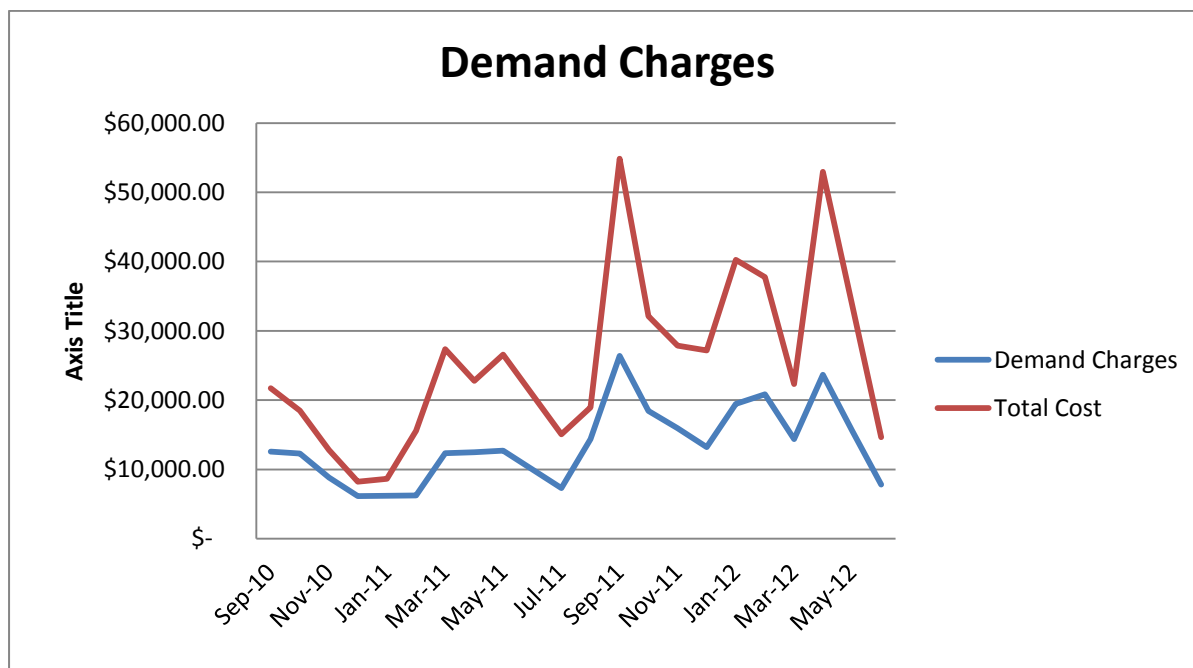


Example 1: Total Usage, Total Cost and Total Cost Trends.

¹ All graphs are based on the data gathered through the electricity trial.

2. Network Charges

Network charges remain the largest driver of overall electricity costs for irrigators in NSW. The graph below shows the costs that can be attributed to network charges in comparison to total electricity costs.



Example 2: Demand charges as a component of total electricity costs

3. Fixed Costs

While network charges remain the largest driver of overall electricity costs (when electricity is used), the data also shows that the fixed costs for electricity is significant in some cases. The table below highlights the differences in costs between "no", "low" and "high" electricity usage;

	31/01/12-28/02/12	28/02/12-31/03/12	31/01/13-28/02/13
Electricity Usage Cost	\$ 28.90	\$ -	\$ 3,564.43
Market Participation Cost	\$ 10.72	\$ 41.85	\$ 2,435.93
Demand Charge Cost	\$ 1,412.17	\$ 1,188.74	\$ 11,196.25
Total Cost	\$ 1,451.79	\$ 1,230.59	\$ 17,196.61
Total Energy Usage (kWh)	552	0	63984

Conclusion

The progress of the electricity trial is positive with more data to be added in the next few months. With this additional data we will be able to commence our negotiations with various electricity retailers in NSW.

The already gathered data has reinforced many concerns about rising electricity costs in irrigation;

1. Electricity costs are increasing over time;
2. Demand charges are the main driver of overall electricity costs;
3. Fixed costs associated with electricity are high in some instances; and