

Dynamic retail electricity tariffs: choices and barriers

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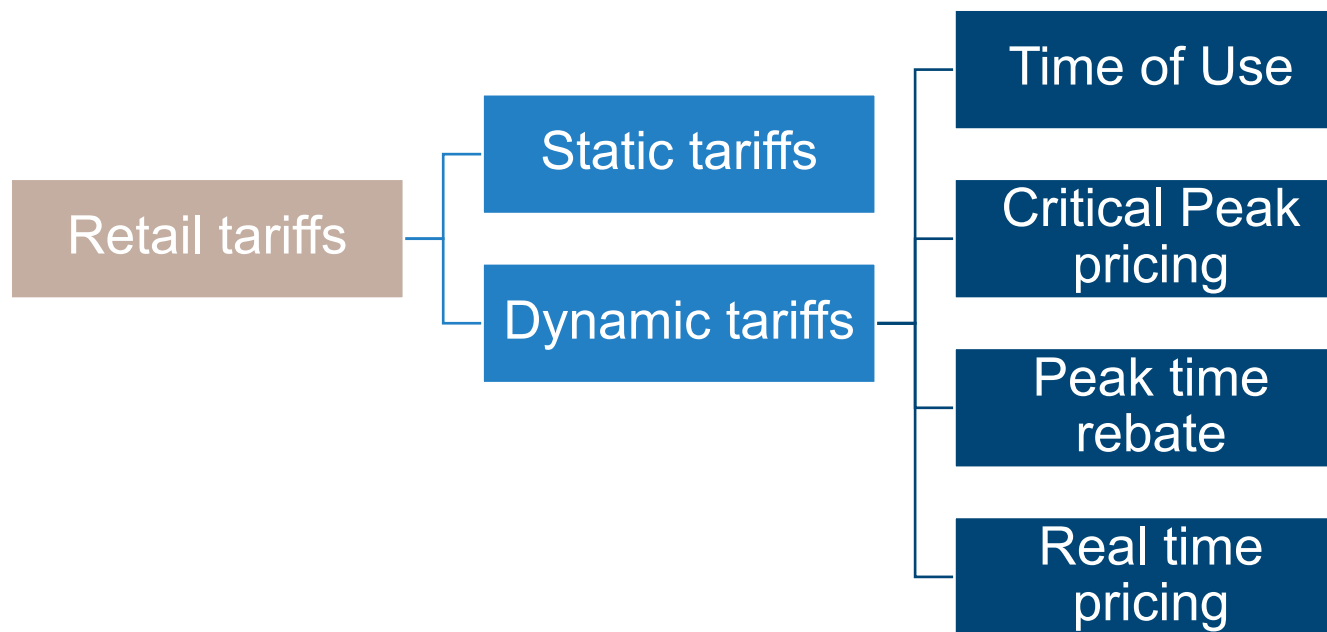
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Contents

- How can we classify retail tariffs?
- What are the design choices that need to be made?
- What are the barriers for dynamic tariffs?

Taxonomy of Retail Tariffs



Definition of dynamic tariff: Tariffs that vary in time to provide an economic signal that encourages the consumer to change their consumption patterns to reach an optimal socio-economic use of electricity.

Identifying choices and barriers while introducing dynamic prices

Europe	US & Latin America	Australia & Asia	Africa
<ul style="list-style-type: none"> • France • Sweden • Norway • Estonia • Finland • Great Britain • Portugal 	<ul style="list-style-type: none"> • California • Connecticut • New York • Brazil 	<ul style="list-style-type: none"> • New South Wales • Victoria • Queensland • Japan 	<ul style="list-style-type: none"> • South Africa



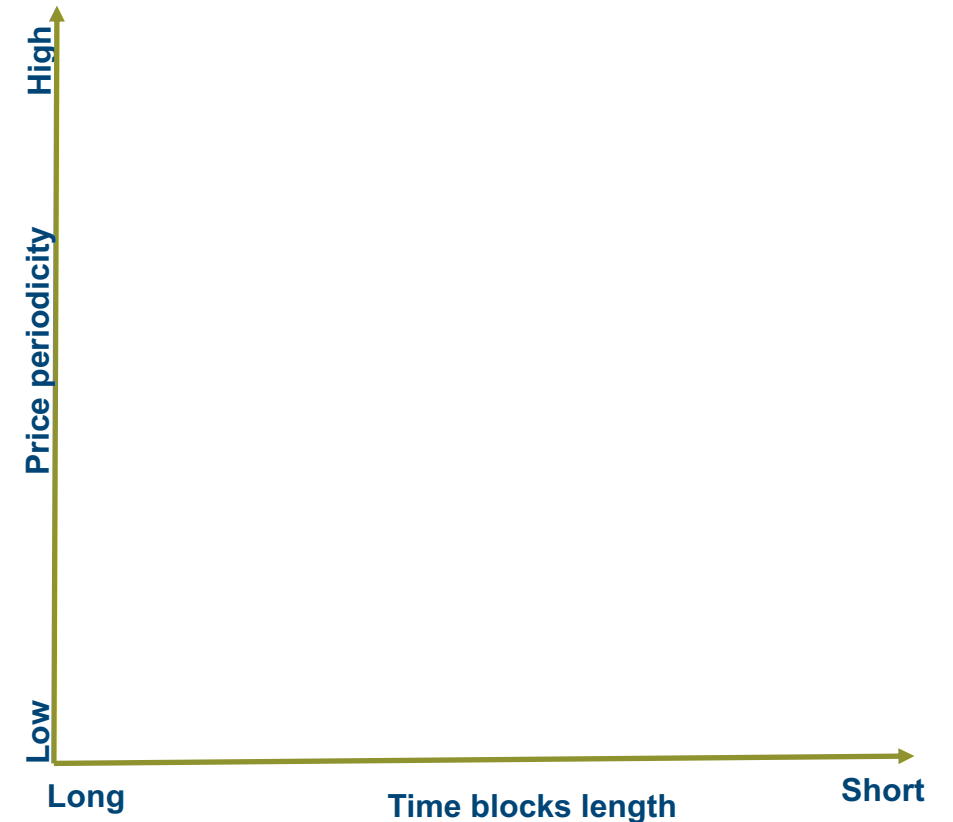
Primary Design Choices

Time block length

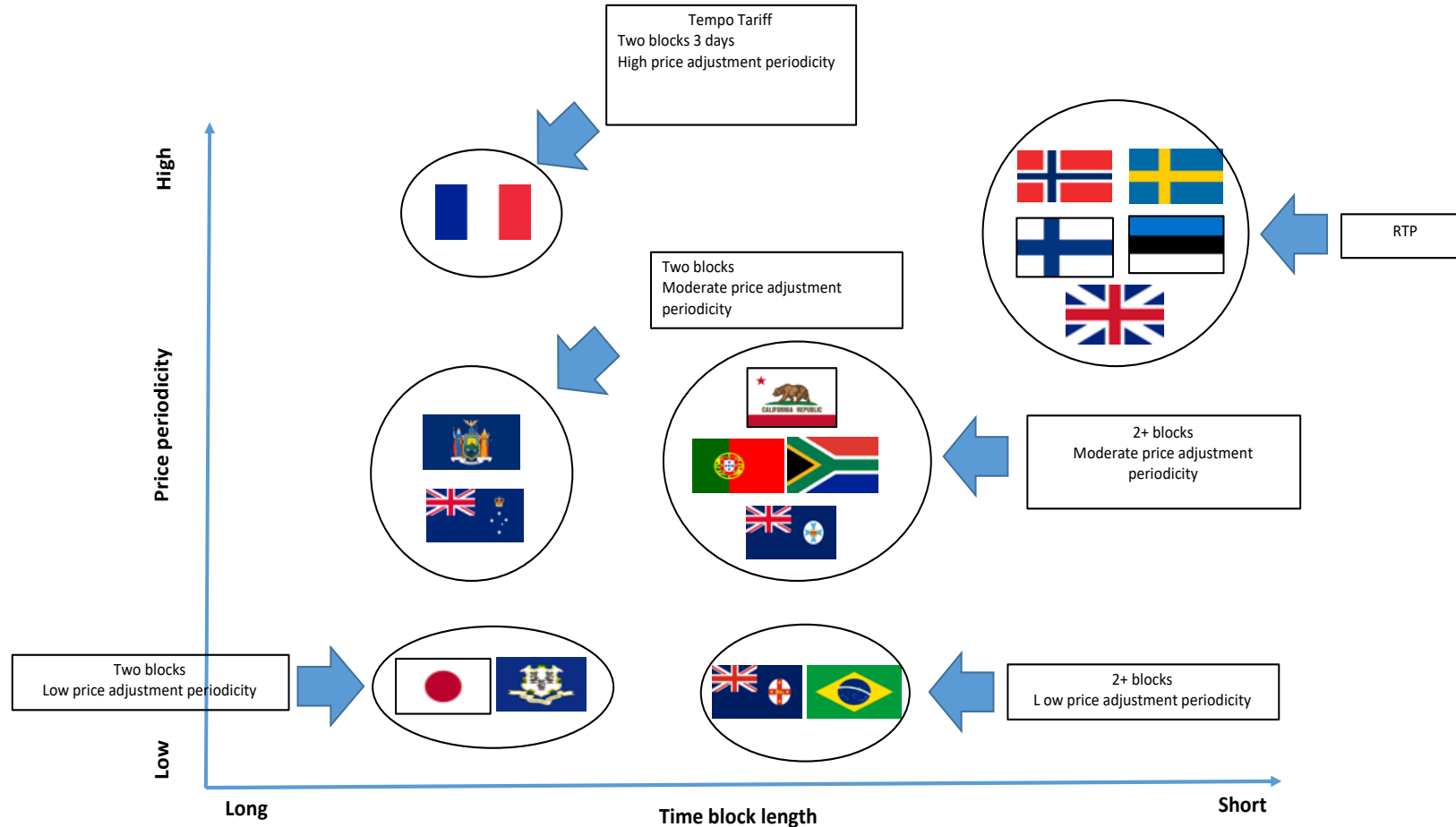
- Time block length refers to the number of distinct tariff periods into which a day is divided,

Price periodicity

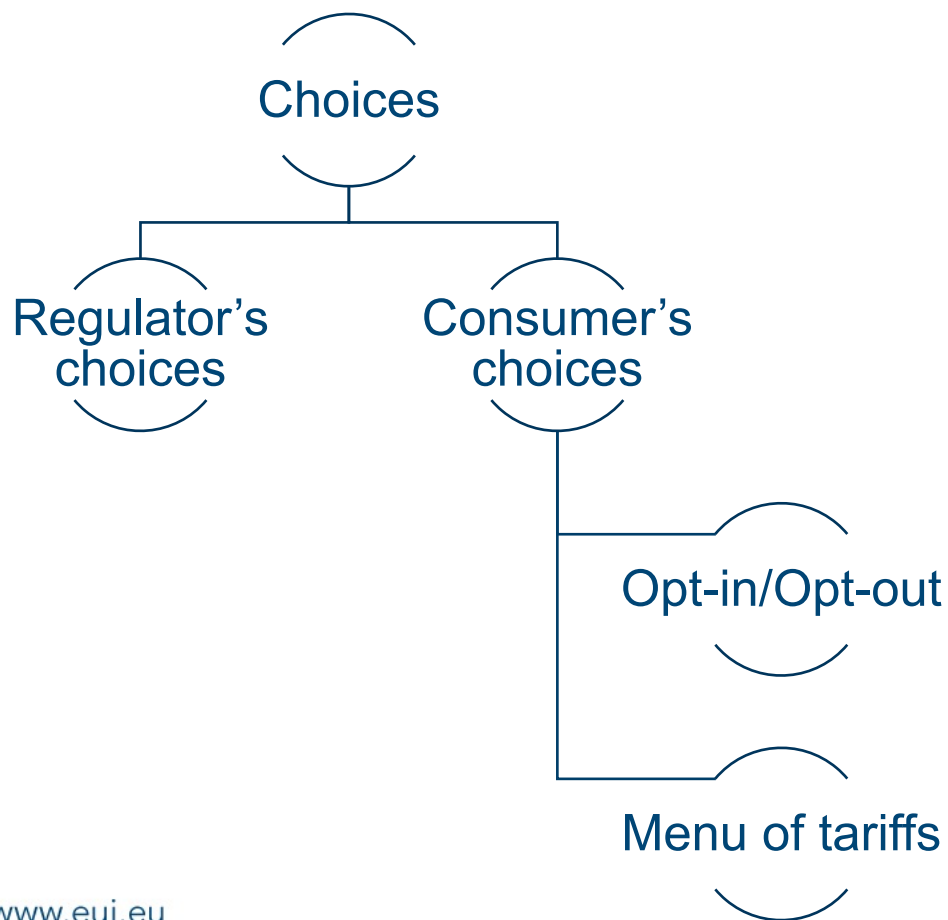
- How often are prices updated for given time period



One size does not fit all....



Implementation choices



Country	Regulatory intervention
Estonia	The regulator has the right to control prices
France	A regulated tariff option, a subsidy for the energy-poor
Finland	Last resort supplier (DSO)
Great Britain	Retail price caps and last resort supplier
Norway	Last resort supplier (DSO)
Portugal	Last resort supplier
Sweden	Last resort supplier
California	A framework for ensuring adequate supply
Connecticut	Utilities are obliged to provide standard service
New York	Customers are protected under the Energy Consumer Protection Act
Brazil	Default tariffs
Victoria	Default tariffs
Queensland	Last resort supplier
NSW	Default tariffs
Japan	Last resort supplier
South Africa	Last resort supplier

Implementation barriers



Physical and ICT infrastructure requirements



Market arrangement requirements



Consumer behaviour

Thank you!

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