

	Industry Sector Summary						
	Admin & support services	Manufacturing & agriculture	Medical	Retail/Wholesale Trades	Tourism & Hospitality	Wine	Consolidated analysis
Section 1: Understanding business' current electricity position							
<i>How does your business procure its electricity needs?</i>	1 business uses an energy broker to negotiate contracts. 1 business does in-house market research and signs with the retailer that provides the best deal.	Energy is procured mostly through retailers. One business do in-house research to find the best deal.	All four of the businesses go through retailers. All businesses do their own contract management in-house. When the contract is up for renewal they do some investigating for a better price, however not much time is spent doing it. The main reason for this is that it is easier to stay with the same retailer.	The businesses in the retail trade sector all procure their electricity needs from energy retailers. 3 of the businesses do in-house research into current market prices, while the other 2 resign with their existing retailer at the end of contract as they find it too difficult to switch providers.	One party procured its energy through an energy broker the other negotiated with the retailer. Businesses usually sign medium term contracts. Usually 12-24 months	Majority of businesses use an energy broker for procuring electricity. Some businesses in addition to the energy broker undertake in-house reviews of costs to ensure they are getting the best price. Most businesses sign onto a 24mth contract.	Businesses produced their energy in two way. Either through a retailer or an energy broker. The most popular option was through retailer, just for the simplicity of it. Businesses with retailers would usually shop around in house for the best deal. Smaller businesses who's electricity bills were lower tended to be less interested in switching retailer to achieve a better cost. Companies with energy brokers were typically ones who used large amounts specifically those in the wine industry.
<i>What percentage of input costs does electricity represent?</i>	Two of the three businesses were unsure, with the third indicated 8% of total business expenses.	Majority of businesses indicated that electricity was a minimal operating cost. One business indicated that electricity was a significant portion of operating expense (this business is also classified as a large user >160MWh)	The percentage of inputs costs that electricity represent is very small. The businesses with the highest inputs recorded it at 5% others had some as small as less than 0.5% expenditure.	The percentage input costs for all retail businesses appears to be between 0.8%-2% (where specific amounts were provided)	Electricity contribution to operating expenses depending on the size of the business, for the two larger businesses electricity accounts on average 4.5% of total operating costs. The third businesses is significantly smaller in size with electricity accounting for less than 1%.	The average input percentage that electricity counts for varies depending on what operations the meter covers (e.g. only winery or winery cellar door, vineyard winery etc.), common range is between 4-10% of input costs for the winery alone. One premises it is very low at 0.5%, due to solar and winery operations (only process red so they can turn refrigeration plant off outside of vintage).	For those in Retail/wholesale and Admin their electricity input costs were equal to 2% or less. For Manufacturing & Agriculture, Tourism & Hospitality and Medical their total costs for electricity were about 4-8% of their expenses. The response from the wine industry were very skewed. One winery saw their input at about 0.7% due to their PV systems. All others sat considerably higher one half of the other sat at 4-5% with the other two at 8-10%.
<i>Does your business have a smart meter? If not, have you been approached to install a smart meter?</i>	Two of the businesses have an advanced interval meter, while the third has an older style accumulation meter.	Majority of businesses did not have a smart meter as were also unaware of the purpose of a smart meter. The only business which had a smart meter was the large user >160MWh which is already on a demand-based tariff.	None of the businesses have smart meters and none have been approached to install one.	Both the knowledge and use of smart metres varied to a great degree within the retail/wholesale industry sector. Several businesses were unaware that they had a smart meter installed and what it was capable of doing. Businesses had not been approached to install a smart meter.	Smart meters are installed at both large businesses. One of the businesses actively accesses their demand profiles through their energy broker.	Majority of wineries have a smart meter. Some wineries had them installed at the same time as their solar PV system.	The response on smart meters gave some interesting results. Lots of businesses didn't have and hadn't heard of smart meters, only the smaller percentage of those who did already have them installed knew the purpose of them, however were still not aware for their full capability. Several businesses had them installed as part of their solar installation.
<i>Over which months of the year is your energy consumption at its highest?</i>	Most businesses indicated the summer (Nov - Apr) period due to high contribution of electricity consumption coming from air conditioning	Consumption appears to be pretty consistent throughout the year. Businesses which had air conditioning indicated that their consumption would probably increase a little over summer.	Summer and Winter are the periods of the year when energy consumption is at its highest. It's due to HVAC systems cooling or warming the facilities. All businesses felt it was important to maintain their patient comfort during treatment.	For businesses with large percentage of facilities being office or retail space their energy consumption was usually constant and predictable. A higher use in summer with the air-conditioning and heating in winter. However where operations required cool rooms or freezers as well the consumptions increase in summer.	Predominately the warmer summer months have high energy consumption from the use of air-conditioning (which is on high demand).	For all the wineries the vintage was the time of greatest consumption. For most it began in Dec/Jan going until April at the latest. The major contributors to electricity consumption and demand were identified as: - Refrigeration systems - Compressed air systems (used for pressing) - Pumps - Crush	Across all industries electricity consumption and therefore demand was expected to be at its highest during summer as the majority of demand was linked to refrigeration and HVAC systems during this time. The only other time of year was in winter for heating of offices. With most of the energy use for heating and cooling of offices, consumption was for the most part pretty constant. The wine industry has alternative reasons for the higher use and this was due to their vintage over this period. When they operated all of their equipment. Vintage was usually anytime from December until April.
<i>Over which time of the day do you think your energy consumption is at its highest? I.e. 12pm - 4pm 4pm - 9pm 9pm - 7am 7am - 12pm</i>	Diverse results. Typically the businesses started around 8am and were staffed till 5-6pm. Peak demand would be fairly consistent throughout the day.	The time of day for the highest consumption average out to be normal business hours. However afternoons were still highlights as times when consumption might be higher	Businesses think that their demand is fairly consistent, but if they indicated that it likely that it would be higher after lunch 12 - 5-6pm (depending on closing time).	For the retail businesses with operations based around cool room use, peak demand was suggested to be fairly consistent throughout the day (some increase in late afternoon in summer due to ambient temperature increase) For the retail businesses which had high air conditioning use, peak demand was indicated to be between 12noon and 5pm (depending on closing time)	The highest energy consumption summaries would be from 4-9. For the two larger businesses this is when there is the highest volume of customers and all equipment is operating.	The time of highest consumption was from early morning until about midday. This is predominately from refrigeration plants. Also in the vintage period, wineries try and crush in the morning to avoid the high afternoon temperatures.	For most business among all industries the highest time of use daily would be office hours. Usually from about 8 until 5-6 in the afternoon. Energy used to heat and cool offices and operate computers and lighting. Only businesses whose operations had to be at specific times would see changes from this. Food Services industry would tend to start and finish later (after 9pm). For other some businesses in the manufacturing or winery industries they would tend to have their consumption higher in the mornings with most their equipment starting up and operating.
<i>Do you think your energy consumption will be increasing or decreasing over the next 3 years?</i>	Two businesses indicated that their consumption would be increasing over the next 3 years due to expanding business operations. The third business indicated that their consumption would remain fairly static, even though they are upgrading equipment it is not anticipated to impact significantly on consumption	Majority of businesses indicated that their electricity would remain fairly consistent over the next few years. Only one business indicated that it may increase due to increasing production.	Only one business saw a potential change in the future from expansion. The other businesses can't see their consumption changing in the next few years.	Businesses within the retail/wholesale industry expect that their electricity consumption will remain fairly static in the coming years.	The two hospitality businesses indicate that consumption is expected to remain relatively static. For the smaller business the intention is to try and decrease consumption.	Wineries who aren't changing production volumes are expected to remain fairly static. Wineries are increasing production volumes are expecting there electricity consumption to increase proportionately.	For the vast majority of businesses they saw their energy consumption over the next three years staying very static. Only business who are planning on facility expansions or production increases indicated that electricity consumption may increase. This was applicable across all industry sectors.
Section 2: Understanding the possible impact of tariff reforms on business'							
<i>Where you aware of SA Power Networks proposed transition to cost-reflective tariffs prior to this program?</i>	No.	Only one business was aware that tariff were changing, but did not understand what it meant.	Three of the four businesses have heard nothing about these changes. One remembers it being mentioned but didn't investigate any further.	No businesses were aware of the changes prior to being contacted by Business SA to participate in the study.	All businesses were unaware that changes to the tariff structures was occurring.	Majority of wineries were aware that something was changing in their electricity tariff structure. 1 winery was unaware as they are all-ready on a demand-based tariff, therefore these proposed tariffs won't affect them.	The majority of businesses were not aware of the proposed changes. All the information they had at this point came from this study. Some businesses did some research prior to the interview. This was common across all industry sectors except the wine industry where a couple wineries had a sound knowledge (knowledge can from their energy brokers) of the proposed changes.
<i>What do you think of SA Power Networks proposed cost-reflective tariffs?</i>	Businesses had mixed responses, one thought it might be a good change while the other indicated that it probably wouldn't effect them greatly as their operations are pretty consistent throughout the day.	From what businesses understood about the proposal they did not respond well. The general consensus was it would be just another for SAPN to increase their revenue.	Majority of businesses did not support the changes as they believe they will leave them with a higher electricity cost. One business indicated you should only pay for the electricity you using. For example if a heatwave or cold snap comes through then the demand cost will be exaggerated for the whole month.	Businesses were unsure about what the changes in the tariff structure would mean to them (even once explained by the interviewer). Majority of businesses felt that changes meant a price increase. Only one businesses made mention to understanding what SAPN are trying to achieve through the proposed tariffs. Businesses within this industry sector had very limited understand about the concept of demand, and therefore found it difficult to identify how it might affect them.	Businesses fear that it would increase costs and that it puts businesses that have a short periods of high demand at a disadvantage. One business was unsure if the proposed tariffs would in fact achieve what SAPN are wanting to achieve.	Others through it was unfair and it was just another attempt to take more money. One common agreement was that nobody liked the prospect of their bills increasing. A couple wineries understand SAPN's reasoning behind the changes.	Businesses across all industry sectors were not impressed with the proposed changes, with the majority thinking it was another way for SAPN to increase revenue. A very small group of businesses understood the merit behind the changes. Such as SAPNs need to upgrade infrastructure it also seemed like a logical step forward for SAPN.

<i>What issues does your business face in moving to a cost-reflective tariff?</i>	Potential cost increase and inability to shift peak demand.	The predicted issues moving forward onto the cost reflective tariff analysis would be that cost will increase making it harder to run a business.	Majority of businesses feel that there is nothing they can do and that they expect their electricity costs to increase as a result. The issues moving forward are that not much can be changed for these businesses due to their work and operating hours which they cannot adjust. When facilitating people they need to provide an environment that is at a comfortable temperature level. They are unable to just	The cost increases will put more pressure on small business, times are already tough and these additional costs will add to that. It's also going to be very hard to make a lot of these changes such as load shifting, just due to the nature of there operations.	Businesses within this industry sector indicate that there is very little they can do to manage peak demand, as it is linked to operations that can't really change the operations of. The smaller business also indicated that they have limited knowledge of opportunities that they could implement as managing electricity has not really been a high priority in the past due to the low contribution to operating costs.	Issues with the changes to a cost reflective tariff are that many of the wineries see the costs going up for them. This then puts additional strain on wineries. Need to have more visibility over their demand so that they can better manage their equipment use.	The main issue that business saw moving forward on the cost reflective tariffs were the potential price increases. Other issues for most businesses was related was the inability to produce capital quick enough for changes.
<i>Do you think the proposed transition peak-demand period is appropriate for your industry sector?</i>	Probably not as it doesn't reflect their operating hours.	Businesses though that part of the period is reflective of their operations, but unsure as to why it extends to 9pm. Businesses were unable to see how they could change their operations to minimise demand during this time.	Businesses feel it is probably not reflective of their operating hours, and therefore peak demand.	Majority of businesses indicated that their peak demand would fall within this period, agreeing that it would be reflective of their operations. However, were unsure as to why the period extends to 9pm as they are no longer operating.	Although the transition-peak demand period is reflective of their peak demand, the hospitality businesses did not like the proposed period due to their limited ability to distribute their peak demand. The tourism businesses, thought it was okay.	Seasonal the peak periods don't work. The time of vintage coincides with the highest seasonal peak, around summer. However the daily consumption time works ok because most of the work is done from about 7-12.	Business all had set operating hours that fall within the proposed peak demand period. The majority of businesses indicated that up until 5pm would reflect their peak demand period, however were unsure as to why the period extended to 9pm. Businesses did feel that the period was unfair as there is limited ability for then to change their operating hours and shift demand outside of the peak demand window. The wine industry did not think the daily peak times were too bad for their industry. Especially when it came to vintage because most of their equipment was early in the morning until midday. Some manufacturing businesses felt the same as they operated their equipment mostly in the morning. The wine industry had a real issue with the seasonal time of the peaks. Most of their consumption happens at vintage during the summer months which is when the peak is highest.
<i>What price would your business be willing to pay for the installation of a smart meter to better understand their electricity costs prior to transitioning to cost-reflective tariffs?</i>	Would not be willing to pay for an advanced meter upgrade, especially as some retailers are offering them to residential customers free of charge.	The businesses would not be willing to pay for the installation of a smart meter. To consider the installation more research into the benefits and role of the smart meter would need to be done and some felt that they should be provided as part of SAPn's service.	The cost factor was seen as too high for not enough benefit.	The businesses that having a smart meter would be the best way to monitor electricity demand and use. However the ones who had them already got them as part of a bulk deal and aren't aware of the cost.	Businesses would not be willing to pay for the installation of an advanced interval meter. One suggestion is that they should be free of charge due to the higher metering charges.	The estimate would be about 400-700 dollars for a smart meter. However the usefulness and potential value would need to be assessed before any decisions were made to install especially for the smaller businesses as this is a large upfront investment without understanding what the benefits might be.	For the businesses that have smart meters installed none of them know the price because they came in a bulk package either with the PV system installations or with the building premise. Some business predicted it would cost anywhere from \$400-\$700 dollars to get one installed. The businesses who didn't have a smart meter already installed said that more research into them would need to be done before purchasing them. They would need to know and understand the use of them and also the benefits of owning one. Some businesses said they would be willing to pay about \$100-\$150 dollars for them but would prefer them to be supplied from SAPN like they do for residential customers
<i>Would your business be prepared to opt-in to a cost-reflective tariff without first installing a smart meter to better understand your energy use?</i>	No.	All businesses response with no.	The businesses still don't fully understand the cost reflective tariff. They would need more information before any decision was made.	All businesses were unwilling to opt-in before they understood their demand and what the cost impacts would be.	No.	No was the common response	Every business responded against opting in at this moment. They either saw the tariff adjustment costing them too much or needed to further research it to understand the affect it will have.
<i>By how much do you think these tariff reforms will either increase or decrease the cost of your electricity bills?</i>	Majority are unsure on the cost impact, one indicated it might increase as much as 20%.	All the businesses predict that the tariff reform will increase their bills, one businesses estimated a possible 10-15% increase.	All the businesses saw their electricity bills going up if the tariff reform comes in. Again are not 100% sure due to lack of understanding	Most businesses felt that it would increase their electricity costs.	All businesses thought changes to tariff structures would increase their electricity costs, however were unsure by how much.	All of the wineries predict the tariff reforms will lead to price increases, especially during their vintage period.	The vast majority of businesses predict an increase in overall costs. Some predictions were an increase of 10-20%.
<i>Do you have access to the appropriate amount of information to determine what kind of impact these reforms may have on your electricity bills?</i>	Businesses feel they don't have the required information to make assess the impacts and make informed decisions.	No businesses thought they have close to enough information to determine the impact	None of the businesses have the right information yet to know what the impact will be.	3 businesses felt that the information provided to date was not enough for them to make informed decisions. 2 business felt since the tariffs were explained to them through this study that they had a better understanding of what was happening.	The business with an energy broker did make the company aware of what the impacts were going to be, but only after the move to a demand kVA had happened. Smaller businesses indicated that it would be very hard to determine what the impacts would be as the struggle to understand their current situation.	None of the wineries believed they had enough information about the tariff reform to assess the impacts that they may have on their business.	Not a single business in any sector thought they had close to enough information about the tariff re-structure to properly determine the impact it would have on their business.
Section 3: Understanding the ability for the business to adapt to tariff reforms							
<i>What options are there for your business to manage the move to cost-reflective tariffs in order to offset rising costs?</i>	Businesses can't see much opportunity to manage their peak demand as it is linked to air conditioning that is required to maintain temperature to keep critical equipment operating (i.e. computer servers and laboratory equipment). One businesses indicated that as their air conditioner use is to maintain staff comfort levels, they would look at implementing staff engagement initiative to change behaviour patterns.	The only options businesses saw to manage these changes was potential facility upgrades. One business said they'd consider solar another said their only options would be equipment efficiency upgrades.	The options for businesses within this industry sector is very minimal due to demand being linked to maintaining patient comfort. Some minor improvements could be made in light retrofits. Issue is also that the majority of premises are leased, therefore changes in equipment are difficult to implement.	All of the businesses had already made considered able changes to their operations level of energy efficiency with changing in lighting and newer equipment. The only changes now would be slight adjustments such as change air conditioner times and upgrade some other lighting systems. Several businesses were constrained in the upgrades that they could make as equipment formed part of their lease	Due to the nature of hospitality nothing can really be adjusted. Service times cannot be adjusted and equipment like ovens, fridges and freezers cannot be shut-off. For the tourism business there is greater ability to manage demand, as it is predominately linked to air-conditioning for staff comfort there is opportunity to change behaviours.	Wineries have already made significant upgrades to manage their electricity consumption. For some businesses their is still scope to manage demand though capital upgrades of equipment. 4 out of the 5 wineries already have solar installed to reduce consumption.	For most business the changes they can make are very limited. The vast majority could not alter the time of operations. One business could make some very minor changes such as the time it cleans the machinery. One cleaning businesses in the admin and support industry could potentially change their working times to start and finish their work earlier in the day. Across all industries the only potential changes that would be made was either the installation of PV systems or upgrading equipment and lighting to newer more effective products. These would all take to save the capital up for the changes.
<i>Does your business have solar PV installed? If solar is installed, does it have storage to offset consumption outside of daylight hours? If no storage is installed why not? If solar is installed, does it have storage to offset consumption outside of daylight hours? If no storage is installed why not? If solar is not installed, would your business consider solar (with or without storage) to offset grid electricity consumption?</i>	Two of the businesses do not have solar installed. Both businesses indicate that it would need to have a good business case for it to be a viable option for their business. One business is in the process of installing a 30kW system which it anticipated to be installed within the next 4 weeks.	Businesses have looked at it in the past but the business case was not viable or there were physical/environmental constraints which hindered them proceeding. Battery storage was not investigated by any business.	None of the businesses have a PV system an none have they been approached by a supplier. One business would considered solar in the future but more research would need to be done before installing. The reasons two of the businesses don't have solar is due to them renting/leasing the premise so its not an option.	2 businesses have solar PV installed. 2 businesses have looked at it in the past but did not proceed as the buildings are leased. One business is currently in the process of reviewing solar. Businesses that have solar did not look into battery storage as the cost was too high.	All businesses have looked at solar PV in the past, but none have been able to proceed due to a Varsity of physical/environment constraints. One hospitality indicated if they could proceed with solar then they would consider battery storage once the technology advances.	4 out of the 5 wineries already have solar PV installed. All have looked at battery storage in one way or another. However none yet think it is appropriate, due to the lack of technological development.	Only about 25% of businesses currently have solar installed. Others either didn't have the facilities to installed panels or the capital needed. The vast majority of businesses had looked at solar at one point. Only about half of the businesses with solar installed have looked at battery storage but most didn't think the technology was right yet or was too expensive.
<i>If the move to cost-reflective tariffs leaves you with a higher overall electricity cost are you able to pass this cost onto your customers?</i>		Businesses indicated they would not be able to pass on the costs to customers if their electricity prices increased.	costs that businesses in this industry sector are able to change predominately regulated, therefore they are unable to pass on costs to patients.	Businesses were indicated they were unable to pass the costs to customers. If it was possible, businesses would be very hesitant to do so.	All businesses would absorb the costs as price increases would upset their customers. Businesses all felt that maintaining customer satisfaction is important if their business is to continue.	The ability for wineries to pass on these increased costs is either impossible or very close to it. The market has an over supply which makes it heard to increase price sand stay competitive.	Only about 20-25% of businesses would be able to past these costs onto customers. A few would potentially look into it as an option but the vast majority would be forced to wear these costs to keep their products/services competitive.
<i>How long do you think it would take the business to make the appropriate changes to its operations in order to manage the move to cost-reflective tariffs?</i>	Not long for behavioural changes. Capital upgrades would take awhile between 6 - 5 years (depending on the available capital of the business).	Businesses felt that there were only small changes which they could make, therefore wouldn't take them long to adjust.	All the businesses said it would take about 3 months for them to change operations to assist in managing the move to costs-reflective tariffs as improvement opportunities are not linked to costly capital upgrades.	Businesses estimated it would take anywhere between 3-12months to make the changes. To make capital upgrades it would take them longer as they need to save for largest upgrades.	All businesses indicated that they would need at least 12-24months to be adequately prepared to manage the move to cost-reflective tariffs.	For the majority of wineries implementing changes would take at least 2 years for them to save-up the capital and then implement the upgrades. Quick win opportunities could be implemented quickly, however larger capital upgrades take time. Two of the smaller wineries indicated that it wouldn't take them long to adjust	Businesses had mixed views on how long it would take to adjust to the tariff changes. If only small changes were possible then they typically didn't require much time. Businesses that would need to make capital upgrades indicated that they would need a period of up to 2 years to adequately plan and implement upgrades. Overall businesses indicated that they would first need to understand their demand and the potential impacts from the tariffs prior to look at upgrade options.
Section 4: What assistance might businesses require							

<p><i>What assistance would be of most help to businesses in each sector in transitioning to cost-reflective tariffs?(i.e. expert advice on improving load factors and shifting loads or installing peak shaving equipment.)</i></p>	<p>More information around understanding your demand profile, along with general education and training around the proposed tariff structure changes. Would like additional information on load-shifting opportunities. All businesses indicated factsheets with provision for face-to-face or phone facilities to ask questions.</p>	<p>More information on what was happening and what it means for their business would be the greatest help, ideally outlining the purposed changes and how businesses can manage these changes when they come in. Provide a way to ask questions and get proper responses in an appropriate time frame.</p>	<p>All businesses agreed on needing a lot more information to understand what is happening and how it will impact them. Preferable method of information delivery would be short workshops or printable material such as factsheets.</p>	<p>Businesses said the best information for them would be to first receive the facts and figures about the changes. Then to find out how it's going to affect them. Other helpful tools would be getting advice from experts about load management , load shifting and peak shaving.</p>	<p>More information is required. A way to provide business with an easy understanding of the changes. Workshops are a preferred deliver method of information dissemination. Assistance on how to manage these changes and identifying ways to reduce energy use would benefit businesses in this industry sector.</p>	<p>The general consensus was for a better understanding of what's going to happen and how its going to effect them. Preferred delivery method would be through factsheets or short seminar (needs to be short as wineries are time poor). Ideally if the information was provided by an independent third party (i.e. consultants) that would be preferable.</p>	<p>All the businesses said they'd need a lot more information about the changes, how they are going to effect them and what potential options they have to minimise their impact. More information about their alternatives like load shifting or peak shaving equipment Some methods of delivering this information includes; - Information factsheets - Workshops or interactive question and answer sessions</p>
<p><i>Who would the business prefer to go to for advice on managing move to cost-reflective tariffs? (i.e. private consultant, SA Power Networks, Business SA or industry association such as SA Wine Industry Association, State Government, Federal Government etc.)</i></p>	<p>Predominately use private consultants of Business SA.</p>	<p>Business SA would usually be the go to for responses of this nature.</p>	<p>Business SA would be the go to for all the businesses to acquire any additional information.</p>	<p>Business SA was the preferred point of assistance for the majority of businesses in the retail/wholesale industry sector.</p>	<p>The hospitality businesses would prefer to use either an energy broker or private consultant for issues like this. However both use Business SA of more industry related issues. One hospitality business also indicated that there would be a lot of small hospitality businesses that would probably turn to Business SA for this type of advice.</p>	<p>SAWIA is the preferred point of contact</p>	<p>On a whole businesses would go to Business SA for information. Other options would be going to industry associations like SAWIA. Other businesses also used private consultant, their retailer or energy broker. No businesses indicated that they would turn to SAPN for assistance.</p>