

REMOTE AREA ENERGY SUPPLY (RAES) GENERATION LEVY FACT SHEET

The Generation Levy has been designed to manage new or upgraded connections to ensure that any required capacity expansions occur in a technically and financially prudent manner that does not compromise the safety, reliability, or sustainability of the systems.

History of the Generation Levy

There has been a long-standing requirement for a Generation Levy when connecting or upgrading electricity services on the Government-owned [RAES scheme](#).

The remoteness and relatively small scale of the RAES mini grids requires that generation plant is appropriately matched to community demand to ensure the reliable and efficient operation of the generators, while also maintaining a sufficient level of system redundancy.

New connections, or increases to the capacity of existing customer connections, require a commensurate increase in generation capacity (including redundancy) to maintain the integrity of the system. The generation levy reflects the additional cost associated with maintaining that capacity.

How is the Generation Levy applied?

A once-off levy of \$1,650 per kVA (incl. GST) applicable to each:

- new connection;
- increase in existing connection capacity; or
- reconnection of a service disconnected for 12+ months.

There is ONE 10kVA Levy Reduction Allowance per applicant/agency per generation system per financial year.

The reduction allowance is limited to one per applicant/agency per year as multiple connections will together contribute a significantly higher new peak demand than an individual residential or business connection

Re-connection of services are considered eligible for the generation levy as any facility that was not connected during the prior peak season will appear as new, previously unknown demand on the RAES generation system.

Reconnections and capacity increases are eligible for the levy reduction allowance, provided they meet the relevant criteria.

How is the Generation Levy Calculated?

The Generation Levy is based on the connection capacity in kilo Volt Amps (kVA) sought by the customer.

The required connection capacity is controlled by the rating of the service fuse (Amps) that is installed by Cowell Electric in association with the electricity supply.

$$\text{Single Phase: kVA} = \text{Amps} \times 230 \text{ volts} / 1000$$

$$\text{Three Phase: kVA} = \text{Amps} \times 400 \text{ volts} \times \sqrt{3} / 1000$$

$$\text{Generation Levy (incl. GST)} = \$1,650 \times \text{kVA}$$

Indicative Generation Levy Costs

Standard connection sizes, and associated generation levies (incl. GST) are as follows:

Connection Size (Amps)	Single Phase	Three Phase
45A (Small Residential)	\$17,077.50	\$51,447.00
63A (Std Residential)	\$23,908.50	\$72,022.50
80A (Std Business)	\$30,360.00	\$91,459.50
120A (Large Business)	\$45,540.00	\$137,181.00

Adjusted for 10kVA Levy Reduction Allowance (\$16,500)		
Connection Size (Amps)	Single Phase	Three Phase
45A (Small Residential)	\$ 577.50	\$34,947.00
63A (Std Residential)	\$ 7,408.50	\$55,522.50
80A (Std Business)	\$13,860.00	\$74,959.50
120A (Large Business)	\$29,040.00	\$120,681.00

Are there other Connection Costs?

The Generation Levy is in addition to charges paid directly to Cowell Electric to provide and install the meter and physically connect to the distribution system.

Reducing your Generation Levy

All customers are encouraged to minimise their demand, and hence their connection size and associated generation levy. Your electrician should be able to assist you with determining the appropriate connection size for your property.

If you wish to explore how you can reduce the amount of energy used in your home or business, please call the Energy Advisory Service within the Department for Energy and Mining on the "free call" number 1800 671 907.