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# NSW Energy Prices July 2018

An update report on the NSW Tariff-Tracking Project



**NSW Energy Prices July 2018**  
**An Update report on the NSW Tariff-Tracking Project**

**May Mauseth Johnston, October 2018**  
**Alviss Consulting Pty Ltd**



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**Disclaimer**

The energy offers, tariffs and bill calculations presented in this report and associated workbooks should be used as a general guide only and should not be relied upon. The workbooks are not an appropriate substitute for obtaining an offer from an energy retailer. The information presented in this report and the workbooks is not provided as financial advice. While we have taken great care to ensure accuracy of the information provided in this report and the workbooks, they are suitable for use only as a research and advocacy tool. We do not accept any legal responsibility for errors or inaccuracies. The St Vincent de Paul Society and Alvis Consulting Pty Ltd do not accept liability for any action taken based on the information provided in this report or the associated workbooks or for any loss, economic or otherwise, suffered as a result of reliance on the information presented. If you would like to obtain information about energy offers available to you as a customer, go to Australian Energy Regulator's "[Energy Made Easy](#)" website or contact the energy retailers directly.

**Acknowledgments**

This project was funded by Energy Consumers Australia ([www.energyconsumersaustralia.com.au](http://www.energyconsumersaustralia.com.au)) as part of its grants process for consumer advocacy projects and research projects for the benefit of consumers of electricity and natural gas.

The views expressed in this document do not necessarily reflect the views of Energy Consumers Australia.

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## The NSW Tariff-Tracking Project

To date, this project has tracked electricity and gas tariffs in NSW from July 2009 to July 2016, and developed a spreadsheet-based tool that allows consumer advocates to build on the initial analysis and continue to track changes as they occur.<sup>1</sup> The first report for the NSW Tariff-Tracking project was published in August 2011 and this is the fifth up-date report focusing on price changes that have occurred over the last year. A recent addition to the Tariff-Tracking project is market offers available to new solar customers. The workbook allows users to calculate annual bills based on retailers' rates, feed in tariffs offered and additional discounts. Again, the user can enter consumption level as well as choosing to run the bill calculation based on 1.5 kW or 3 kW solar systems.

We have developed five workbooks that allow the user to enter consumption levels and analyse household bills for NSW gas and electricity offers.

Workbook 1: Regulated electricity offers July 2008-July 2018

Workbook 2: Regulated gas offers July 2009-July 2018

Workbook 3: Electricity market offers July 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018<sup>2</sup>

Workbook 4: Gas market offers July 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018

Workbook 5: Solar market offers July 2016, 2017 and 2018

The jurisdictional update reports will be followed by a NEM comparison report that discusses market issues and customer impacts in more detail as well as making recommendations.

All workbooks and reports can be accessed at the St Vincent de Paul Society's website:

[www.vinnies.org.au/energy](http://www.vinnies.org.au/energy)

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<sup>1</sup> The regulated electricity offers workbook also contains the 2008 rates.

<sup>2</sup> All market offers are published offers and do not include special offers that retailers market through door-knocking campaigns or brokers. We use the retailers' websites to collect market offer for the Tariff-Tracking tool. If the retailer has more than one market offer we use the offer with the best rates/discounts that do not require direct debit arrangements.

## Key findings

- The incumbent retailers (Energy Australia and Origin) did not change their electricity standing offer prices post July 2018.<sup>3</sup> See chart 1 in section 1 below.
- Gas prices increased in Sydney (AGL/Jemena), Boorowa, Shoalhaven, Queanbeyan and the Murray Valley region post July 2018, while other gas zones have received price decreases.<sup>4</sup> See chart 3 in section 1.
- Typical consumption households (7,200kWh) can save \$550 - \$700 per annum (depending on their network area) if switching from the incumbent retailer's standing offer to the best market offer.<sup>5</sup> See section 2.1.
- The average electricity market offer (including guaranteed and pay on time discounts) produces an annual bill of \$2,480 in the Essential Energy network, \$2,235 in Ausgrid and \$2,175 in Endeavour.<sup>6</sup> See section 2.1.
- The average market offer for households consuming 7,200 kWh per annum decreased by 2.5% to 3.5% (depending on network area) in July 2018.<sup>7</sup> See section 2.1.
- The difference between electricity market offers continues to be significant. The difference between the single best and the single worst market offer ranges from \$1,040 per annum (in Essential's area) to \$850 (in Endeavour's area) for customers with typical consumption levels.<sup>8</sup> See section 2.1.
- The difference in annual bills between customers that pay on time and customers that pay late continues to increase and the difference to the annual bill is as high as \$1,540 in Essential's network (Amaysim's offer). See section 2.1.2.
- Typical consumption gas customers in Jemena's Sydney price zone can potentially save \$190 on their annual gas bill (including pay on time discounts) by switching from AGL's standard offer to Covau's market offer.<sup>9</sup> See section 2.2.
- Compared to electricity offers, the difference between the best and the worst stand-alone gas market offers is very small. The difference between the best (CovaU) and the worst (AGL) market offers is only \$90 per annum. See section 2.2.
- Network charges as proportion of total bill continue to decrease in the Ausgrid and Endeavour networks. The network proportion of the retail bill is currently 32% in Ausgrid, 37% in Essential and 31% in Endeavour's network area.<sup>10</sup> See section 3.
- The retail component of bills have increased for both standing offer and market offer bills since 2016. See section 3.
- The average annual bill for new solar customers (using 7,200 kWh/annum) with 3kW systems installed is around \$800 to \$1,000 less compared to non-solar customers.<sup>11</sup> See section 4.
- The analysis found significant variation between retailers' solar offers. In Sydney (Ausgrid), for example, customers with a small 1.5 kW system installed may save \$730 per annum if they are on

<sup>3</sup> Based on the incumbent retailers' standing offers as of July 2017 and July 2018.

<sup>4</sup> These bill calculations are based on the incumbent retailers' published standard offer as of July 2017 and July 2018.

<sup>5</sup> Based on the incumbent retailer's standing offer (single rate) and the best of the published market offers (including additional discounts and/or pay on time discounts).

<sup>6</sup> Based on the average market offer (all retailers) for each network area, single rate and inclusive of pay on time discounts.

<sup>7</sup> Ibid. Post July 2018 offers compared to post July 2017 offers.

<sup>8</sup> Households using 7,200kWh per annum (single rate), market offers include pay on time discounts.

<sup>9</sup> Based on the regulated offer (24,000Mj per annum) and the best of the published market offers (including additional discounts and/or pay on time discounts).

<sup>10</sup> Network charges as proportion of incumbents' standing offer bills.

<sup>11</sup> New solar customers cannot access the NSW Solar Bonus Scheme.

QEnergy's offer instead of Click Energy's. As Click offers a much higher feed in tariff (FIT) of 17 cents compared to Q Energy's 8 cents, this highlights the importance of solar customers not choosing retail offers based on FIT rates alone. See section 4.

- Dual fuel households in Tamworth have the highest combined energy cost of approximately \$4,090 per annum while dual fuel households in Western Sydney, Wollongong, Blue Mountains and Lithgow have the lowest (\$3,505).<sup>12</sup>

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<sup>12</sup> Based on incumbent retailers' electricity standing offers (7,200kWh per annum, single rate) and gas standing offers (24,000Mj per annum) as of July 2018.

# 1. Energy price changes from July 2017 to July 2018<sup>13</sup>

The incumbent retailers (Energy Australia and Origin) did not change their electricity standing offer prices post July 2018. After prices increasing significantly last year (July 2017), prices have now remained unchanged. Chart 1 shows changes to annual bills from July 2016 to July 2018 for average consumption households (single rate) in the three network areas.

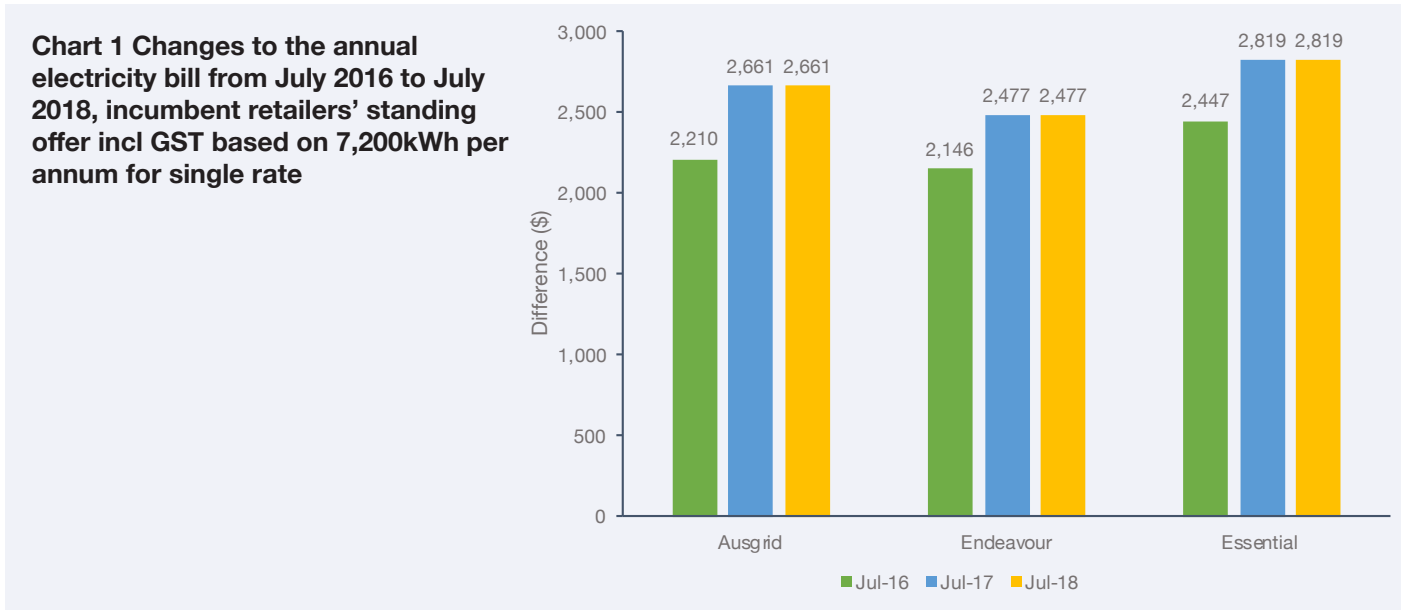
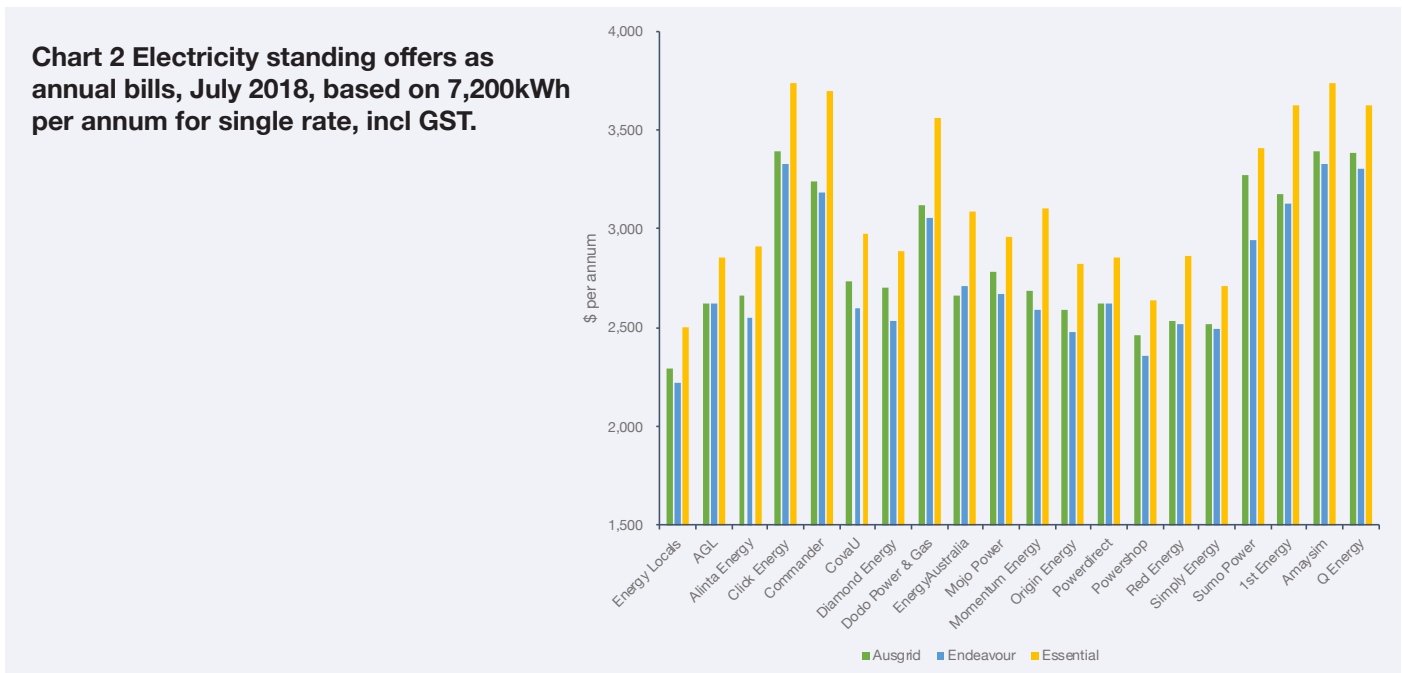


Chart 2 shows estimated annual bills for standing offer customers (single rate, 7,200kWh/annum) in each of the three network areas. The average standing offer is highest in Essential's area (approximately \$3,130) while Endeavour and Ausgrid's average standing offer are roughly \$2,840 and \$2,760 respectively. The maximum price spread (the difference between the best and the worst offer) is also highest in Essential at \$1,230. In Endeavour and Ausgrid, the maximum standing offer price spread is \$1,100 and \$1,115 respectively.<sup>14</sup>

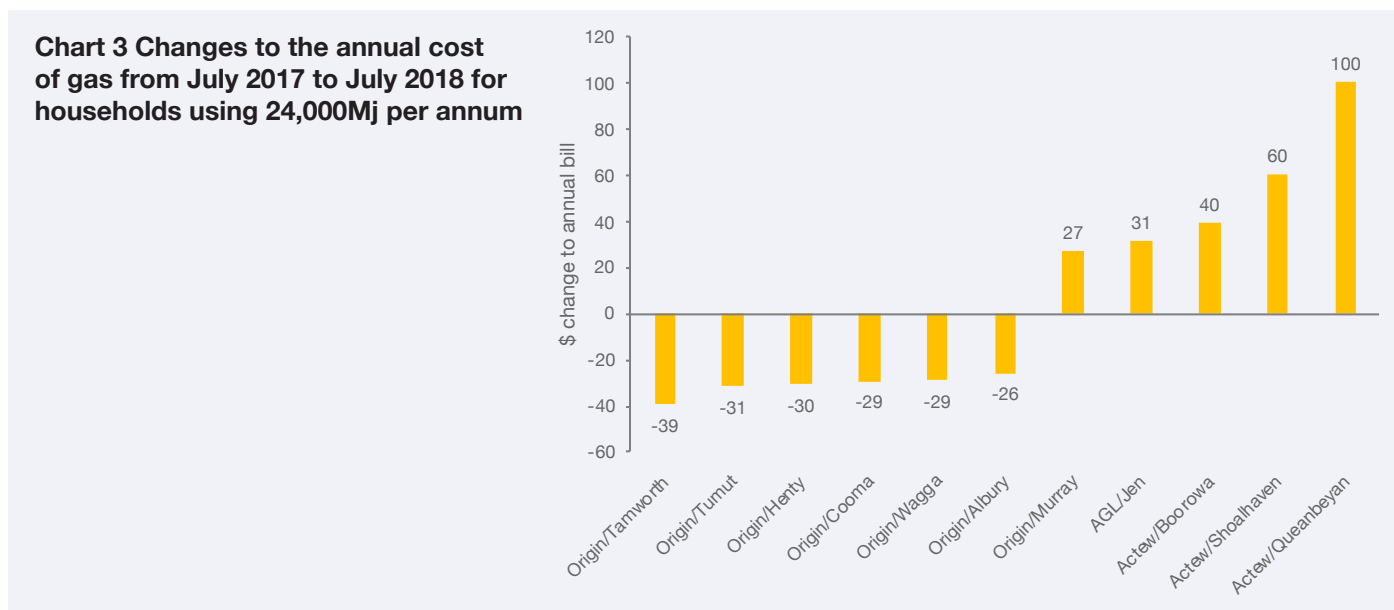


<sup>13</sup> These calculations are based on changes to the incumbent retailers' standing offer for single rate electricity customers using 7,200kWh per annum, changes to the incumbent retailers' standing offer for controlled load electricity customers (typically all-electric households) using 8,000kWh per annum (thereof 30% off-peak) and changes to the regulated offer for gas customers using 24,000Mj per annum.

<sup>14</sup> As new retailers enter the market and some retailers exit, many of the retailers included in this year's analysis did not offer electricity to NSW consumers in July 2017 and we have therefore not compared 2017 and 2018 standing offer prices across all retailers.



Gas prices increased in Sydney (AGL/Jemena), Boorowa, Shoalhaven, Queanbeyan and the Murray Valley region post July 2018, while other gas zones have received price decreases.<sup>15</sup>



The three standard gas retailers are AGL, ActewAGL and Origin Energy. Jemena’s Sydney zone (AGL) is the largest in terms of customer numbers. Origin is the incumbent retailer in seven pricing zones while ActewAGL is in three.

**Table 1 Gas supply areas in NSW**

NSW Gas Zones and incumbent retailers	
<b>Jemena Sydney (AGL)</b>	Sydney, Newcastle, Wollongong, Blue Mountains
<b>Jemena Regional (ActewAGL)</b>	Boroowa, Goulburn, Yass and Young
<b>Envestra (Origin)</b>	Cooma and Bombala
	Temora*, Holbrook, Henty, Culcairn and Walla Walla
	Tumut and Gundagai
	Wagga Wagga and Uranquity
	Albury, Moama and Jindera
	Murray Valley Towns
<b>Central ranges (Origin)</b>	Tamworth
<b>ActewAGL (ActewAGL)</b>	Queanbeyan and Bundgendore
	Shoalhaven

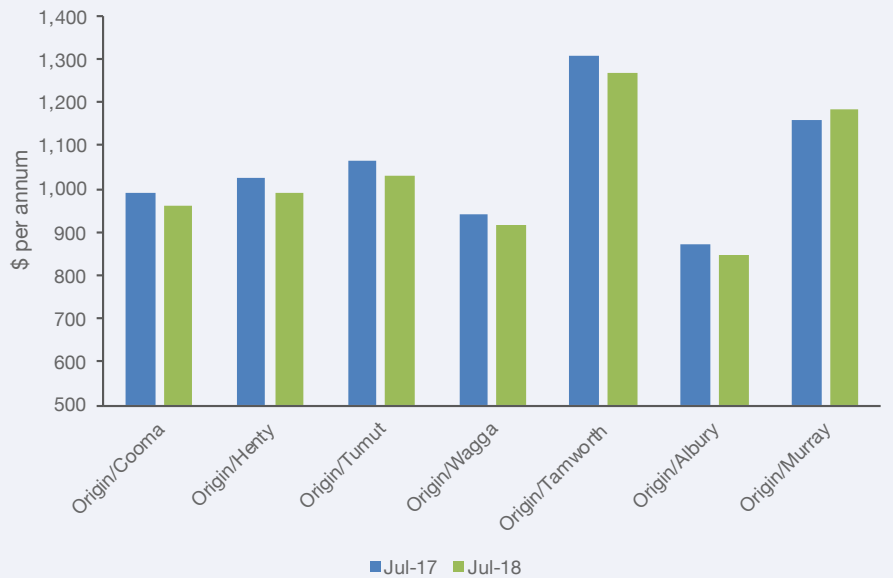
\*Temora has been under the same pricing zone as Holbrook, Henty etc. since July 2013

The difference between winter and summer consumption will vary significantly from household to household (depending primarily upon usage of gas space heating). The charts below do not adjust for increased winter consumption but assume consistent consumption levels throughout the year. Because of the seasonality of gas consumption and gas tariffs the annual bill calculations presented in this report are indicative only, and their primary purpose is to track changes over time and analyse differences between gas zones.

Charts 4 and 5 below show annual gas bills for the regional gas zones based on the incumbent retailer’s standard offer as of July 2017 and July 2018.

<sup>15</sup> These bill calculations are based on the incumbent retailers’ published standard offer as of July 2017 and July 2018.

**Chart 4 Estimated annual bills for regulated gas offers in Origin's areas, July 2017 and July 2018 (24,000Mj per annum, inc GST)<sup>16</sup>**



**Chart 5 Estimated annual bills for regulated gas offers in ActewAGL's areas, July 2017 and July 2018 (24,000Mj per annum, inc GST)<sup>17</sup>**



Table 2 below highlights the price trends for NSW gas offers. For more detailed information about the areas and differences in energy price changes see section 5.

<sup>16</sup> Note: The Cooma zone includes Bombala. The Henty zone includes Holbrook, Culcairn, Temora and Walla Walla. The Tumut zone includes Gundagai. The Wagga Wagga zone includes Uranquity. The Albury zone includes Moama and Jindera. The Murray Valley zone covers Murray Valley towns.

<sup>17</sup> Note: The Boorowa zone includes Goulbourn, Yass and Young. The Queanbeyan zone includes Bungendore.

**Table 2** Changes to gas prices by area July 2017 – July 2018<sup>18</sup>

<b>Area</b>	<b>Changes to annual bill since July 2017</b>	<b>Percentage</b>
<b>Sydney, Newcastle, Wollongong, Blue Mountains (AGL)</b>	\$30	3%
<b>Cooma and Bombala (Origin)</b>	-\$30	-3%
<b>Temora, Holbrook, Henty, Culcairn and Walla (Origin)</b>	-\$30	-3%
<b>Tumut and Gundagai (Origin)</b>	-\$30	-3%
<b>Wagga Wagga and Uranquity (Origin)</b>	-\$30	-3%
<b>Tamworth (Origin)</b>	-\$40	-3%
<b>Boroowa, Goulburn, Yass and Young (ActewAGL)</b>	\$40	4%
<b>Queanbeyan and Bundgendore (ActewAGL)</b>	\$100	10%
<b>Shoalhaven (ActewAGL)</b>	\$60	6%
<b>Albury, Moama and Jindera (Origin)</b>	-\$25	-3%
<b>Murray Valley Towns (Origin)</b>	\$30	2%

<sup>18</sup> Based on the regulated gas rates for customers using 24,000Mj per annum.

## 2. Market offers July 2018

### 2.1 Electricity: Market offers July 2018

- The average electricity market offer (including guaranteed and pay on time discounts) produces an annual bill of \$2,480 in the Essential Energy network, \$2,235 in Ausgrid and \$2,175 in Endeavour.<sup>19</sup>
- The average market offer for households consuming 7,200 kWh per annum decreased by 2.5% to 3.5% (depending on network area) in July 2018.<sup>20</sup>
- Typical consumption households (7,200kWh) can save \$550 - \$700 per annum (depending on their network area) if switching from the incumbent retailer's standing offer to the best market offer.<sup>21</sup>
- The difference between the best and the worst market offer ranges \$850 (in Endeavour's area) to \$1,040 (in Essential's area) for customers with typical consumption levels.<sup>22</sup> Chart 6 below shows the retail market offer price-spread within each of the three network areas.

**Chart 6 Price-spread for seventeen electricity market offers in each network area July 2018 (incl GST), including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)**

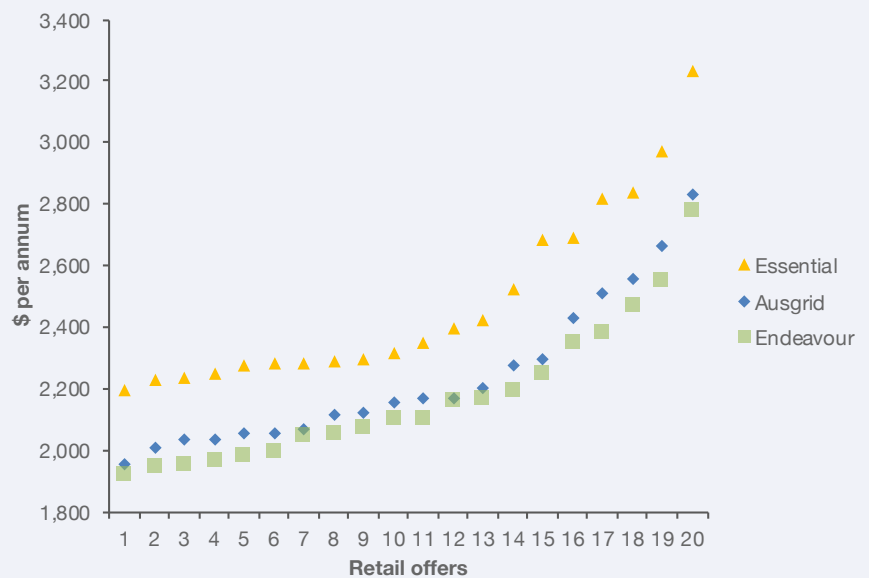


Table 3 below shows additional discounts applicable to the electricity retailers' published market offer rates. Table 3 also shows other contract terms and features, such as early termination fees, associated with these market offers. Some of the retailers have multiple market offers and may offer higher (or lower) discounts than those listed here. However, if the discounts are higher they are tied to other conditions such as payment by direct debit.

<sup>19</sup> Based on the average market offer (all retailers) for each network area, single rate and inclusive of pay on time discounts.

<sup>20</sup> Ibid. Post July 2018 offers compared to post July 2017 offers.

<sup>21</sup> Based on the incumbent retailer's standing offer (single rate) and the best of the published market offers (including additional discounts and/or pay on time discounts).

<sup>22</sup> Households using 7,200kWh per annum (single rate) and all market offer bills include additional discounts and/or pay on time discounts.

**Table 4** Published electricity market offers as of July 2018: Key additional features and contract conditions

<b>Retailer</b>	<b>Name</b>	<b>Effective from</b>	<b>Guaranteed discount</b>	<b>Pay on time discount</b>	<b>Late payment fee</b>	<b>Contract term/benefit period</b>	<b>Early termination fee</b>
<b>Energy Locals</b>	Simple Saver	21/08/2018	No	No	\$13	No	No
<b>AGL</b>	Savers	3/07/2018	No	20% off usage	\$12.73	12 months	No
<b>Alinta Energy</b>	Fair Deal	2/08/2018	No	27% off usage	No	24 months	No
<b>Click Energy</b>	Agate	30/08/2018	No	35% off bill	\$12	No	No
<b>Commander</b>	Market offer	27/07/2018	No	20% off usage	No	No	No
<b>CovaU</b>	Freedom	1/07/2018	No	25% off bill	\$15	No	No
<b>Diamond Energy</b>	Pay on time discount	1/07/2018	No	7% off bill	\$15	No	No
<b>Dodo Power &amp; Gas</b>	Market offer	27/07/2018	No	No	No	No	No
<b>Energy Australia</b>	Anytime Saver	30/08/2018	28 or 32% off usage <sup>^</sup>	No	\$12	12 months	No
<b>Mojo Power</b>	Connect	13/08/2018	No	No	\$12	No	No
<b>Momentum Energy</b>	SmilePower	1/07/2018	No	No	No	12 months	No
<b>Origin Energy</b>	Saver	1/07/2018	No	13% off usage	\$12	12 months	No
<b>Powerdirect</b>	Market offer	17/08/2018	No	25% off usage	\$12.73	12 months	No
<b>Powershop</b>	Power Saver	1/07/2018	No	12% off bill	No	No	No
<b>Red Energy</b>	Living Energy Saver	19/07/2018	No	10% off bill	No	No	No
<b>Simply Energy</b>	Simply Plus	14/05/2018	No	18% off usage	No	24 months	No
<b>Sumo Power</b>	Pay on time	3/09/2018	No	27% off usage	No	No	No
<b>1st Energy</b>	Market offer	1/07/2018	No	22% off usage	No	24 months	No
<b>Amaysim</b>	Electricity 2	30/08/2018	No	40% off bill	\$12	No	No
<b>Q Energy</b>	Flexi Saver	8/06/2018	No	No	No	24 months	No

<sup>^</sup> Energy Australia offers a discount of 32% in Essential and 28% in Ausgrid and Endeavour

### 2.1.1 Potential savings - Differences between electricity offers

Typical consumption households (7,200kWh per annum) on the incumbent retailer's standing offer can save \$550 - \$700 per annum if switching to the best published market offer.<sup>23</sup> Importantly, it is the difference between individual retailers' offers that can produce significant savings if switching from a standing offer to a market offer. Customers who choose to stay with the same retailer, but change to a

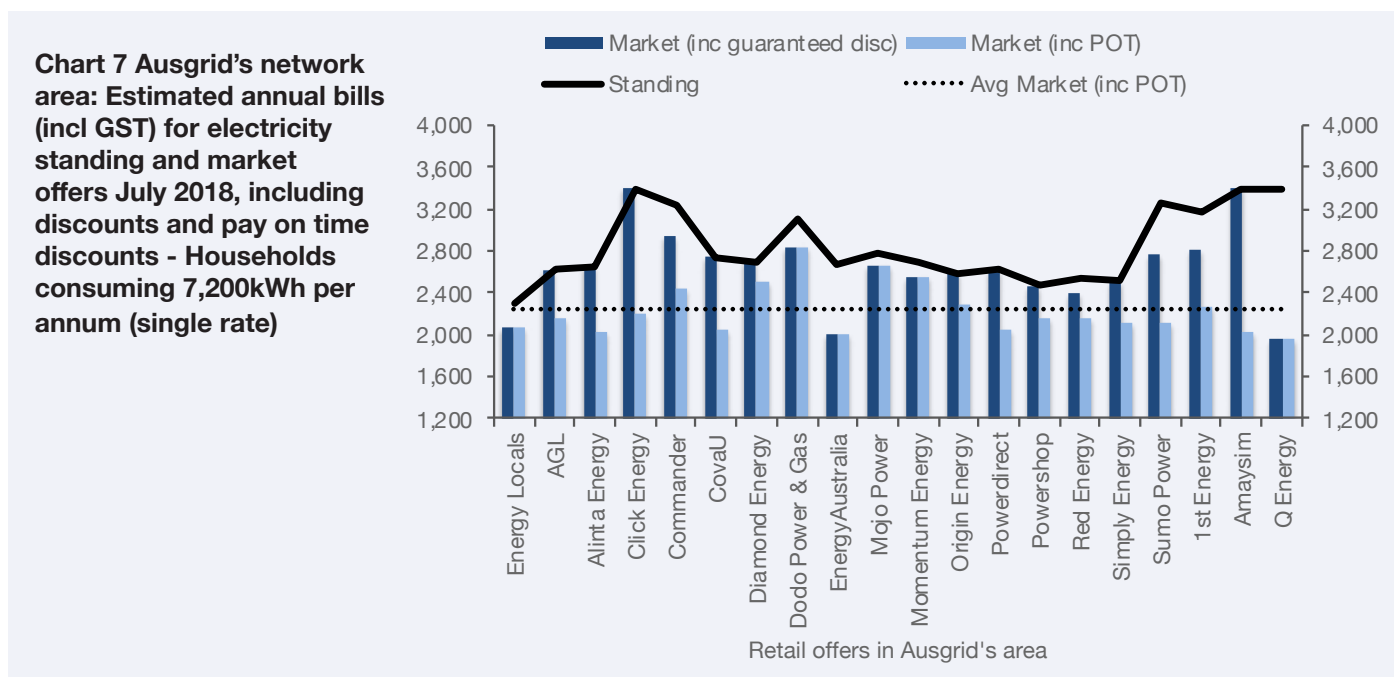
<sup>23</sup> Based on market offer bills that include discounts and pay on time discounts.

market offer, are unlikely to experience annual savings as large as these. Furthermore, we stress that the majority of these discounts are conditional on bills being paid on time and households with cash-flow issues thus may find themselves unable to achieve the annual bills estimated for some of the best offers included in the charts below.

Charts 7-9 below show annual retail bills for typical consumption (7,200kWh per annum, single rate) for each of the three network areas. The columns to the left represent the market offer bills including guaranteed discounts (but not pay on time discounts) while the columns to the right are market offer bills including pay on time discounts.<sup>24</sup> The dotted lines show the average market offer (including pay on time discounts) in each network area and the short black lines show the incumbent retailers' standing offer bill.

### Ausgrid

In Ausgrid's area, average consumption households on Energy Australia's standing offer can save \$700 per annum if switching to the best published market offer. Q Energy is the retailer that currently offers the best market offer rates in this area.























The difference between the best and the worst market offer is also significant. Q Energy's offer is approximately \$880 less than Dodo Power & Gas's market offer post discounts (and pay on time discounts) for households with this consumption level. Figure 1 below shows estimated annual bills for market offers post discounts in Ausgrid's network area.<sup>25</sup>

<sup>24</sup> These market offers were collected between 15 July and 30 August 2018 (except Sumo which was collected on 3 September) and it should be noted that retailers may change their rates at any time. Discounts (excluding GST) have been applied to consumption and/or total bill as per offers listed in table 3.

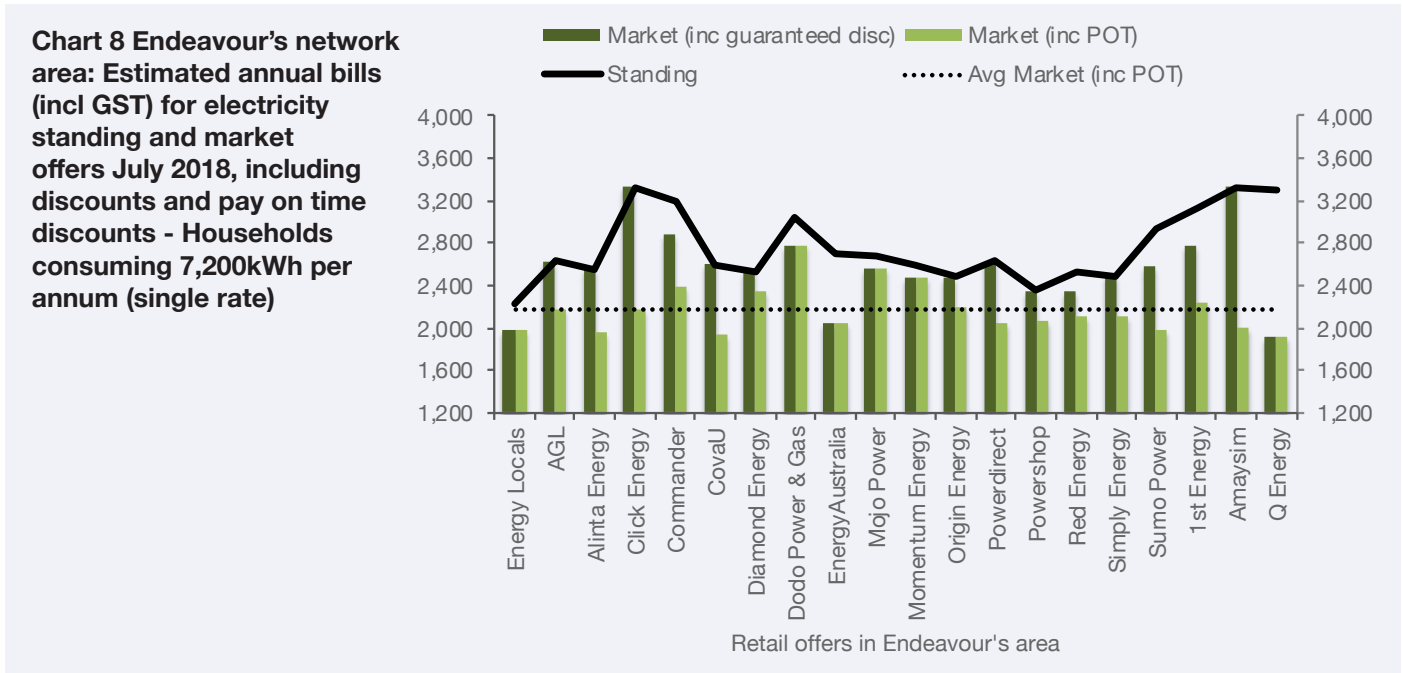
<sup>25</sup> These market offers were collected between 15 July and 30 August 2018 (except Sumo which was collected on 3 September) and it should be noted that retailers may change their rates at any time. Additional discounts for customers choosing to pay by direct debit are not included in these bill calculations.

**Figure 1** Ausgrid's network area: Lowest to highest annual bills (incl GST) for market offers July 2018, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

	QEnergy	<b>\$1,955</b>
	Energy Australia	<b>\$2,010</b>
	Alinta Energy	<b>\$2,033</b>
	Amaysim	<b>\$2,036</b>
	CovaU	<b>\$2,053</b>
	Powerdirect	<b>\$2,053</b>
	Energy Locals	<b>\$2,070</b>
	Sumo Power	<b>\$2,115</b>
	Simply Energy	<b>\$2,122</b>
	Red Energy	<b>\$2,157</b>
	AGL	<b>\$2,167</b>
	Powershop	<b>\$2,169</b>
	Click Energy	<b>\$2,206</b>
	1st Energy	<b>\$2,275</b>
	Origin Energy	<b>\$2,299</b>
	Commander Electricity	<b>\$2,432</b>
	Diamond Energy	<b>\$2,510</b>
	Momentum Energy	<b>\$2,559</b>
	Mojo Power	<b>\$2,664</b>
	Dodo Power & Gas	<b>\$2,833</b>

## Endeavour

In Endeavour’s network area, average consumption households on Origin’s standing offer can save approximately \$550 per annum if switching to the best published market offer. Again, Q Energy is the retailer with the best market offer rates.























The difference between the best and the worst market offer is similar to that in Ausgrid’s network area. Q Energy’s offer is approximately \$850 less than Dodo Power & Gas’s market offer post discounts (and pay on time discounts) for households with this consumption level. Figure 2 below shows estimated annual bills for market offers post discounts in Endeavour’s network.<sup>26</sup>

<sup>26</sup> These market offers were collected between 15 July and 30 August 2018 (except Sumo which was collected on 3 September) and it should be noted that retailers may change their rates at any time. Additional discounts for customers choosing to pay by direct debit are not included in these bill calculations.

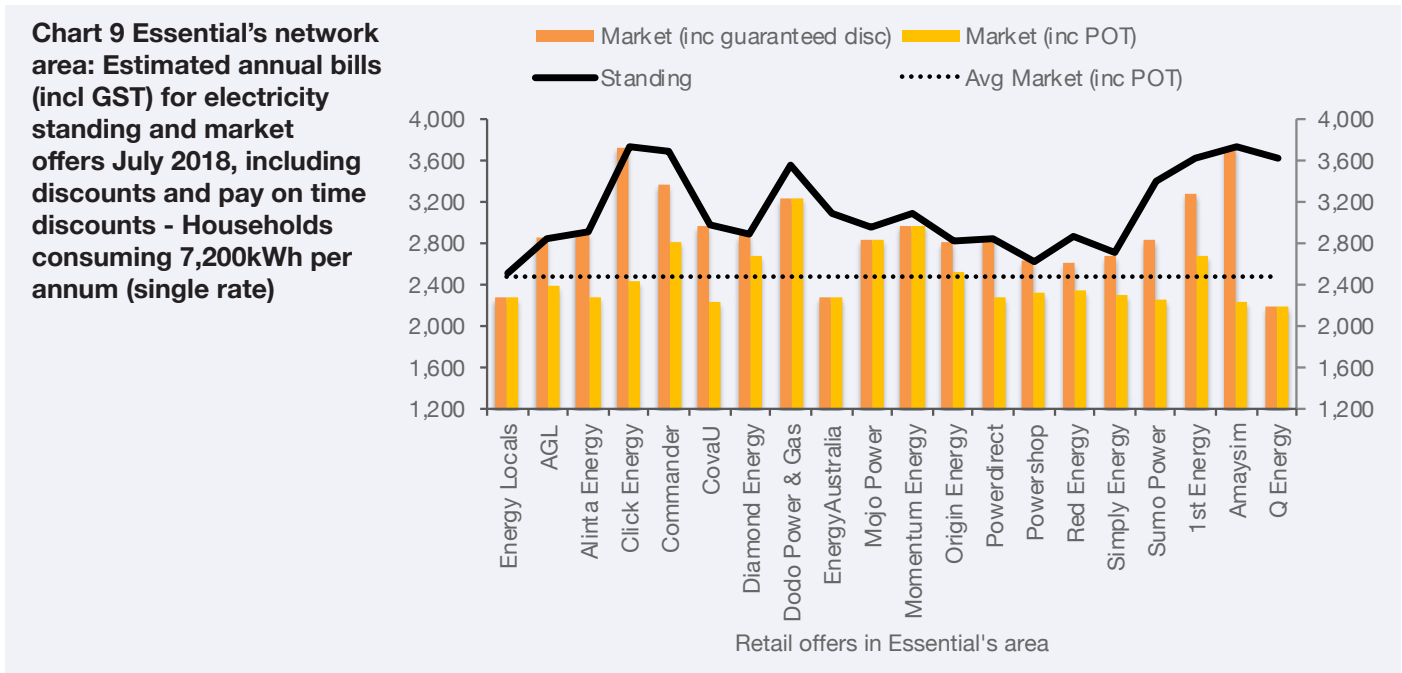


**Figure 2** Endeavour’s network area: Lowest to highest annual bills (incl GST) for market offers July 2018, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

	QEnergy	<b>\$1,924</b>
	CovaU	<b>\$1,946</b>
	Alinta Energy	<b>\$1,953</b>
	Energy Locals	<b>\$1,971</b>
	Sumo Power	<b>\$1,984</b>
	Amaysim	<b>\$1,998</b>
	Energy Australia	<b>\$2,048</b>
	Powerdirect	<b>\$2,053</b>
	Powershop	<b>\$2,073</b>
	Red Energy	<b>\$2,101</b>
	Simply Energy	<b>\$2,101</b>
	Click Energy	<b>\$2,165</b>
	AGL	<b>\$2,167</b>
	Origin Energy	<b>\$2,199</b>
	1st Energy	<b>\$2,248</b>
	Diamond Energy	<b>\$2,353</b>
	Commander Electricity	<b>\$2,385</b>
	Momentum Energy	<b>\$2,471</b>
	Mojo Power	<b>\$2,552</b>
	Dodo Power & Gas	<b>\$2,776</b>

**Essential**



















In Essential’s network area, average consumption households on Origin’s standing offer can save approximately \$625 per annum if switching to the best published market offer. Q Energy is again the retailer with the best market offer rates in this network area.



As in other network areas, the difference between the best and the worst market offer is significant. Q Energy’s offer is approximately \$1,050 less per annum than Dodo Power & Gas’s market offer post discounts (and pay on time discounts) for households with this consumption level. Figure 3 below shows estimated annual bills for market offers post discounts in Essential’s network area as well their current ranking compared to their offers one year ago (in brackets).<sup>27</sup>

<sup>27</sup> These market offers were collected between 15 July and 30 August 2018 (except Sumo which was collected on 3 September) and it should be noted that retailers may change their rates at any time. Additional discounts for customers choosing to pay by direct debit are not included in these bill calculations.

**Figure 3** Essential's network area: Lowest to highest annual bills (incl GST) for market offers July 2018, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

	QEnergy	<b>\$2,195</b>
	CovaU	<b>\$2,233</b>
	Amaysim	<b>\$2,240</b>
	Sumo Power	<b>\$2,253</b>
	Alinta Energy	<b>\$2,276</b>
	Powerdirect	<b>\$2,285</b>
	Energy Australia	<b>\$2,286</b>
	Energy Locals	<b>\$2,290</b>
	Simply Energy	<b>\$2,298</b>
	Powershop	<b>\$2,319</b>
	Red Energy	<b>\$2,349</b>
	AGL	<b>\$2,400</b>
	Click Energy	<b>\$2,426</b>
	Origin Energy	<b>\$2,526</b>
	Diamond Energy	<b>\$2,685</b>
	1st Energy	<b>\$2,691</b>
	Commander Electricity	<b>\$2,819</b>
	Mojo Power	<b>\$2,842</b>
	Momentum Energy	<b>\$2,975</b>
	Dodo Power & Gas	<b>\$3,234</b>

### 2.1.2 Bills paid on time vs. bills paid late

We have previously raised our concerns regarding the use of late payment fees as well as the significant impact they can have on late paying households' bills when applied in conjunction with a pay on time discount.<sup>28</sup>

Discounting is clearly an effective marketing tool and we note that only one retailer currently offers additional discounts that are not conditional upon bills being paid on time. Dodo, Momentum and Q Energy are the only retailers that do not differentiate between bills being paid on time or paid late.<sup>29</sup>

Amaysim and Click offer the highest pay on time discount (40% and 35% on the entire bill) of all the retailers and the difference to the annual bill gets as high as \$1,540 in Essential's network. Table 5 shows how much more a late paying customer on each of the retail offers would pay per annum.<sup>30</sup>

**Table 5** The difference (\$) to annual bill when customers pay late

	Essential	Ausgrid	Endeavour
Amaysim	1,541	1,405	1,380
Click Energy	1,355	1,236	1,213
CovaU	804	744	708
Alinta Energy	632	627	600
Powerdirect	623	623	623
1st Energy	586	538	535
Sumo Power	585	651	589
Commander	544	514	502
AGL	508	509	509
Simply Energy	388	396	392
Origin Energy	341	342	326
Powershop	316	296	282
Diamond Energy	262	249	237
Red Energy	261	240	234
Energy Locals	52	52	52
EnergyAustralia	48	48	48
Mojo Power	48	48	48
Dodo Power & Gas	0	0	0
Momentum Energy	0	0	0
Q Energy	0	0	0

Charts 10 – 12 below show annual bills for customers that pay bills on time and customers that pay late in each of the three network areas.<sup>31</sup>

<sup>28</sup> See St Vincent de Paul Society, NSW Energy Prices July 2012 – July 2013, An update report on the NSW Tariff-Tracking project by May Mauseth Johnston (August 2013), St Vincent de Paul Society, NSW Energy Prices July 2014 – July 2015, An update report on the NSW Tariff-Tracking project by May Mauseth Johnston (July 2015), St Vincent de Paul Society, NSW Energy Prices 2016, An update report on the NSW Tariff-Tracking project by May Mauseth Johnston (September 2016).

<sup>29</sup> Dodo does offer discounts conditional direct debit payments and these discounts are not included in this analysis.

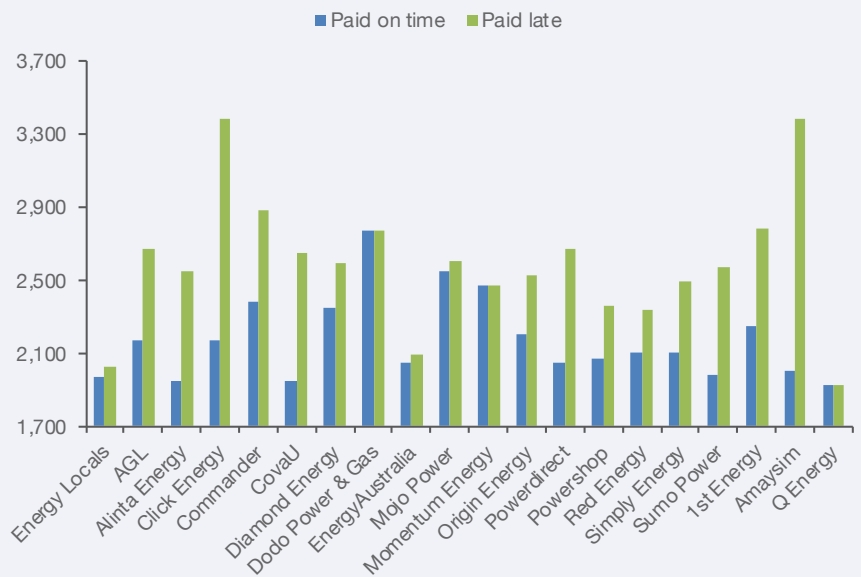
<sup>30</sup> If the retailer charges a late payment fee, four late payment fees have been included in the annual 'late bill' calculation.

<sup>31</sup> If the retailer charges a late payment fee, four late payment fees have been included in the annual 'late bill' calculation.

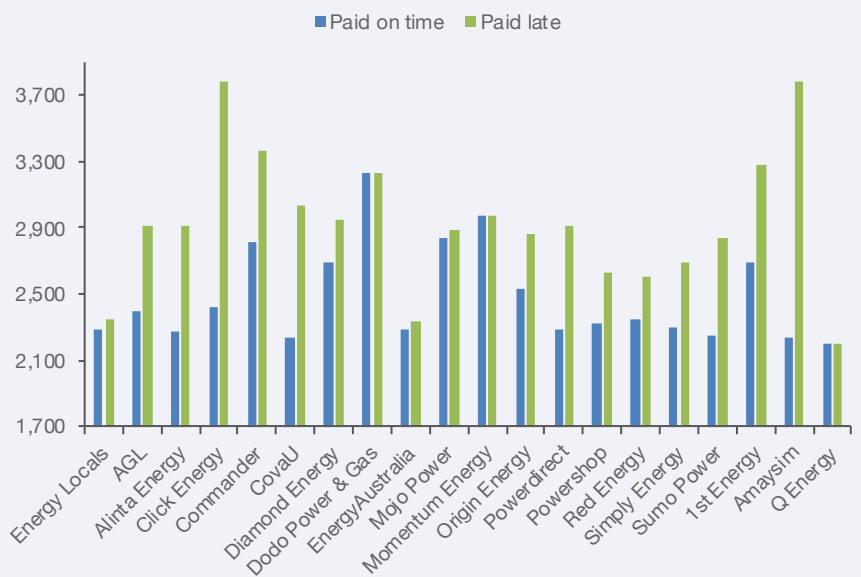
**Chart 10 Ausgrid's network area: Estimated annual bills (incl GST) for electricity market offers (as of July 2018) paid late vs. paid on time - Households consuming 7,200kWh per annum (single rate)**



**Chart 11 Endeavour's network area: Estimated annual bills (incl GST) for electricity market offers (as of July 2018) paid late vs. paid on time - Households consuming 7,200kWh per annum (single rate)**



**Chart 12 Essential's network area: Estimated annual bills (incl GST) for electricity market offers (as of July 2018) paid late vs. paid on time - Households consuming 7,200kWh per annum (single rate)**



## 2.2 Gas market offers July 2018

There is an increasing number of gas market offers available in NSW but the Sydney area (Jemena/AGL gas zone) is the only area that has more than three offers. As such, this analysis only comprises market offers in the greater Sydney area.

- The difference between the best and the worst gas market offer is \$105 per annum. The difference between stand-alone gas market offers, however, is \$90. See chart 13 below.
- Typical consumption households (24,000 Mj) can save \$190 per annum if switching from AGL's standing offer to the best market offer.<sup>32</sup> See chart 14 below.

**Chart 13 Price-spread for seven gas market offers in the Jemena pricing zone post July 2018 (incl GST), including discounts and pay on time discounts - Households consuming 24,000Mj per annum. The squares are stand-alone gas offers and the triangular markers are dual fuel offers.**

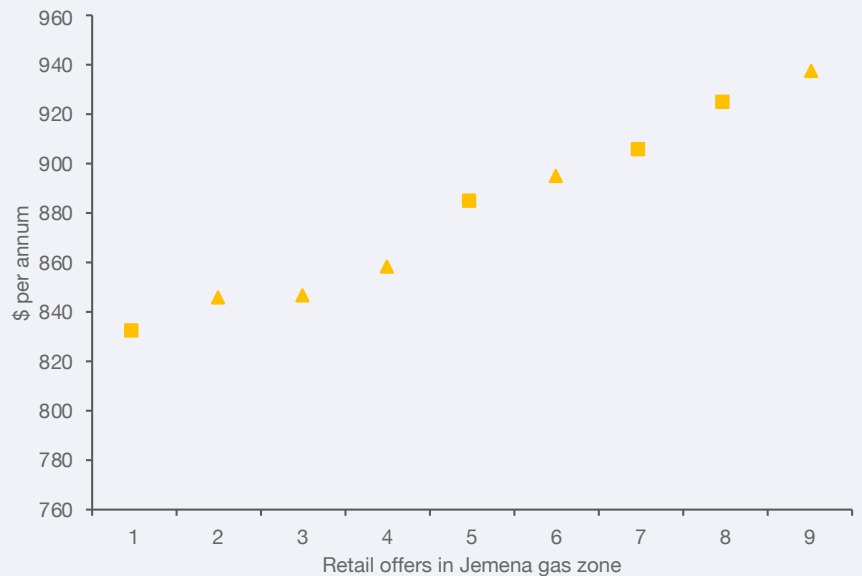
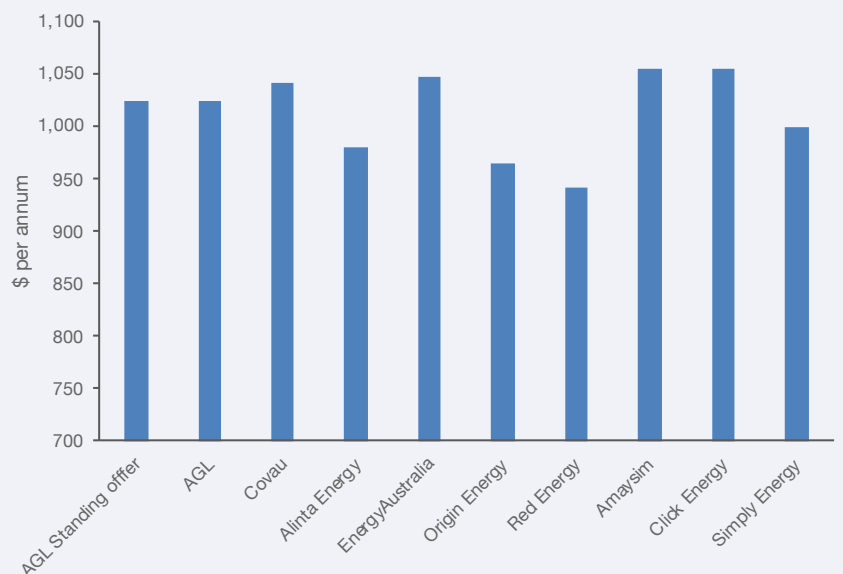


Chart 14 below shows that three retailers, Covau, Energy Australia Amaysim and Click Energy, have rates that are higher than AGL's standing offer rates (prior to discounts).<sup>33</sup> Note that Alinta, Red, Amaysim, Click and Simply's market offers are only available to dual fuel customers (customers that sign up for both electricity and gas).

**Chart 14 Gas offers in Jemena/AGL zone as annual bills (excluding discounts), July 2018 (24,000Mj per annum, inc GST)**



<sup>32</sup> Based on the regulated offer and the best of the published market offers (including pay on time discounts).

<sup>33</sup> These market offers were collected between 15 July and 30 August 2018 and it should be noted that retailers may change their rates at any time.

The calculations for the market offers in chart 14 include rates only (cost per MJ and fixed charges) and do not include other market offer features such as discounts on consumption rates, vouchers, sign-up credits, loyalty bonuses and discounts if bills are paid on time. As such, consumers assessing market offers should take these additional features into account as well as being aware of contract conditions such as late payment fees, the length of the contract and fees for exiting the contract early.

Table 5 below shows additional discounts applicable to the gas retailers' published market offer rates. It also shows other contract terms and features, such as early termination fees, associated with these market offers.

**Table 5** Published gas market offers in Jemena/AGL gas zone post July 2018: Key additional features and contract conditions

<b>Retailer</b>	<b>Name</b>	<b>Effective from</b>	<b>Guaranteed discount</b>	<b>Pay on time discount</b>	<b>Late payment fee</b>	<b>Contract term/benefit period</b>	<b>Early termination fee</b>
<b>AGL</b>	Savers	3/07/2018	No	13% off usage	\$12.73	12 months	No
<b>CovaU</b>	Freedom	1/07/2018	No	20% off bill	\$15	No	No
<b>Alinta Energy</b>	Fair Deal	2/08/2018	No	18% off usage	No	24 months	No
<b>Energy Australia</b>	Anytime Saver	30/08/2018	20% off usage	No	\$12	12 months	No
<b>Origin Energy</b>	Saver	1/07/2018	No	8% off usage	\$12	12 months	No
<b>Red Energy</b>	Easy Saver	29/08/2018	No	10% off bill	No	No	No
<b>Amaysim</b>	Gas 2	30/08/2018	No	15% off bill	\$12	No	No
<b>Click Energy</b>	Lavender	30/08/2018	No	11% off bill	\$12	No	No
<b>Simply Energy</b>	Plus	29/08/2018	No	18% off usage	No	24 months	No

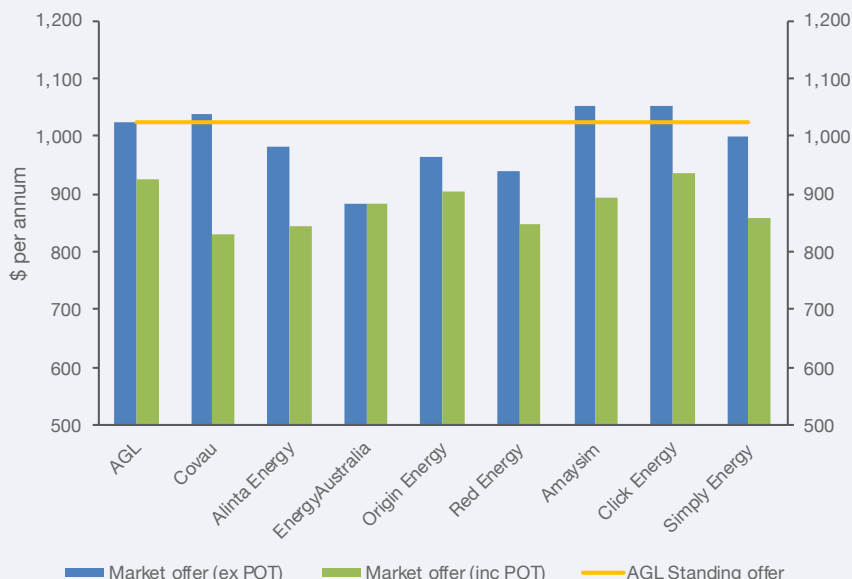
### 2.2.1 Potential savings - Differences between gas offers

Chart 15 below shows annual retail bills for market offers compared to AGL's standing offer for typical consumption households (24,000kJ per annum) in the Jemena/AGL gas zone. The red columns are the market offers including guaranteed discounts (but not pay on time discounts) while the green columns are market offer bills including pay on time discounts.<sup>34</sup> The dotted line represents AGL's standing offer rates that took effect in July 2018.

Customers switching from AGL's standard offer to Covau's market offer can potentially save \$190 on their annual gas bill (including pay on time discounts). If customers on AGL's standard offer switch to AGL's market offer, they will save \$100 per annum (after the pay on time discounts have been applied). Importantly, all market offers produce lower bills than the standard offer when discounts are included.

<sup>34</sup> These market offers were collected from the retailers' websites between 15 July and 30 August 2018. Discounts (excluding GST) have been applied to consumption and/or total bill as per offers listed in table 6.

**Chart 15 Gas offers in Jemena/AGL area: Estimated annual bill for market offers post July 2017 (guaranteed discount only and all discounts) compared to the regulated rates (based on 24,000Mj, inc GST)**



Compared to electricity offers, the difference between the best and the worst stand-alone gas market offers is very small. Figure 4 below shows estimated annual bills for stand-alone gas market offers post discounts in the Jemena/AGL gas zone. The difference between the best (Covau) and the worst (AGL) market offer is currently \$90 per annum.

**Figure 4** Jemena/AGL gas zone: Lowest to highest annual bills (incl GST) for stand-alone gas market offers post July 2017, including discounts and pay on time discounts - Households consuming 24,000Mj per annum<sup>35</sup>

	Covau	<b>\$832</b>
	Energy Australia	<b>\$885</b>
	Origin Energy	<b>\$905</b>
	AGL	<b>\$924</b>

### 2.3 Dual fuel offers July 2018<sup>36</sup>

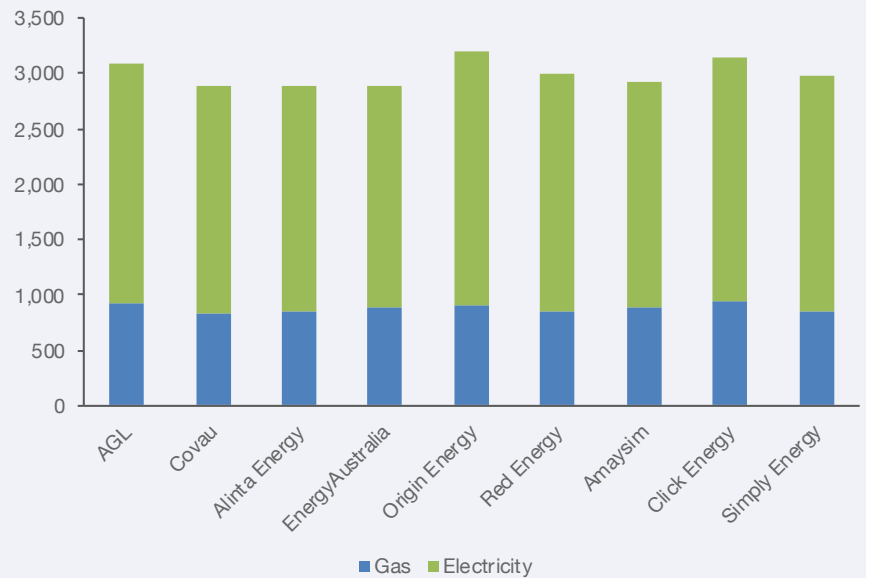
As only four gas retailers offer gas as a single fuel product we have compared dual fuel offers for households in Ausgrid’s electricity network and the Jemena/AGL gas zone. Chart 16 below shows that Alinta currently offers the best value dual fuel product for typical consumption households in this area. Origin Energy’s offer is the most expensive (\$325 more than Alinta’s).

<sup>35</sup> These bill estimates are based on rates published on the retailers’ websites in 15 July and 30 August 2018 and it must be noted that retailers may change their rates at any time. Additional discounts for customers choosing to pay by direct debit are not included in these bill calculations.










<sup>36</sup> The annual bills for dual fuel offers are based on a single retailer supplying a household with both fuel sources and an annual consumption of 7,200 kWh (single rate) and 24,000 Mj. The market offers were collected between 15 July and 30 August 2018 and it should be noted that retailers may change their rates at any time.



**Chart 16 Ausgrid network and Jemena/AGL gas zone: Estimated annual bills (incl GST) for dual fuel offers post July 2018, including discounts and pay on time discounts - Households consuming 7,200kWh and 24,000Mj per annum<sup>37</sup>**



**Figure 5 Ausgrid network and Jemena/AGL gas zone: Lowest to highest annual bills (incl GST) for dual fuel market offers post July 2018, including discounts and pay on time discounts - Households consuming 7,200kWh and 24,000Mj per annum<sup>38</sup>**

	Alinta Energy	<b>\$2,879</b>
	CovaU	<b>\$2,885</b>
	Energy Australia	<b>\$2,895</b>
	Amaysim	<b>\$2,931</b>
	Simply Energy	<b>\$2,980</b>
	Red Energy	<b>\$3,004</b>
	AGL	<b>\$3,091</b>
	Click Energy	<b>\$3,143</b>
	Origin Energy	<b>\$3,204</b>

<sup>37</sup> Discounts (excluding GST) have been applied to consumption and/or total bill as per offers listed in the tables 3 and 5.

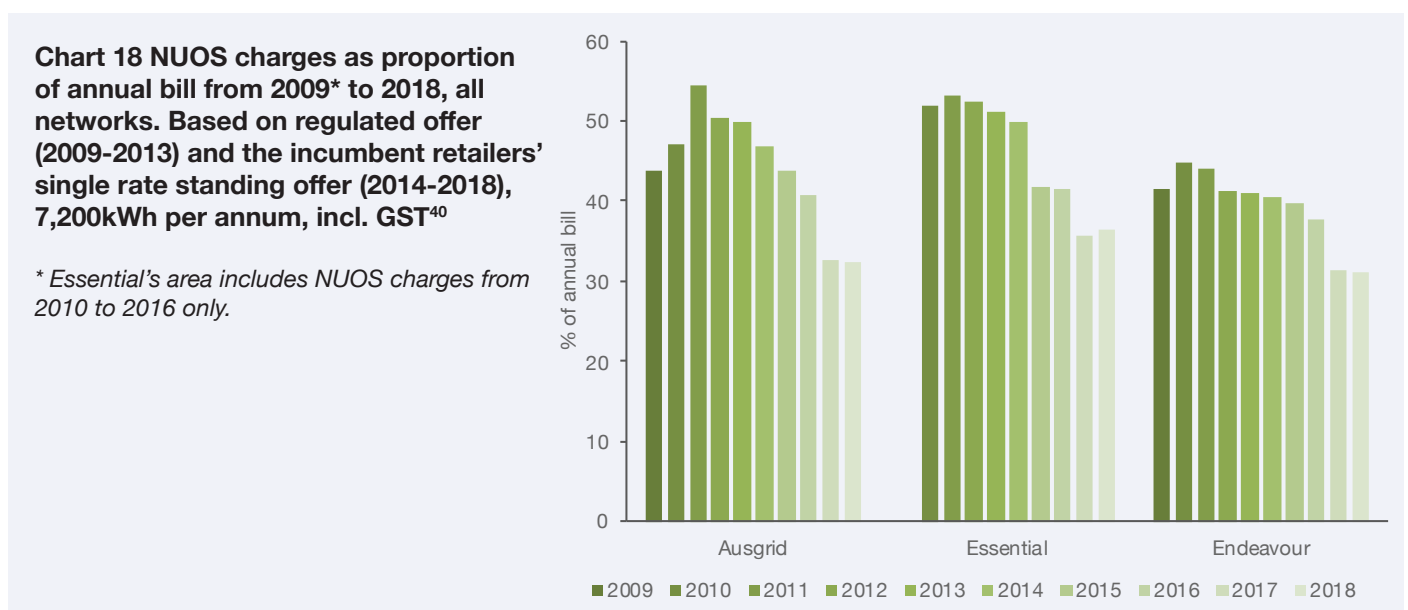
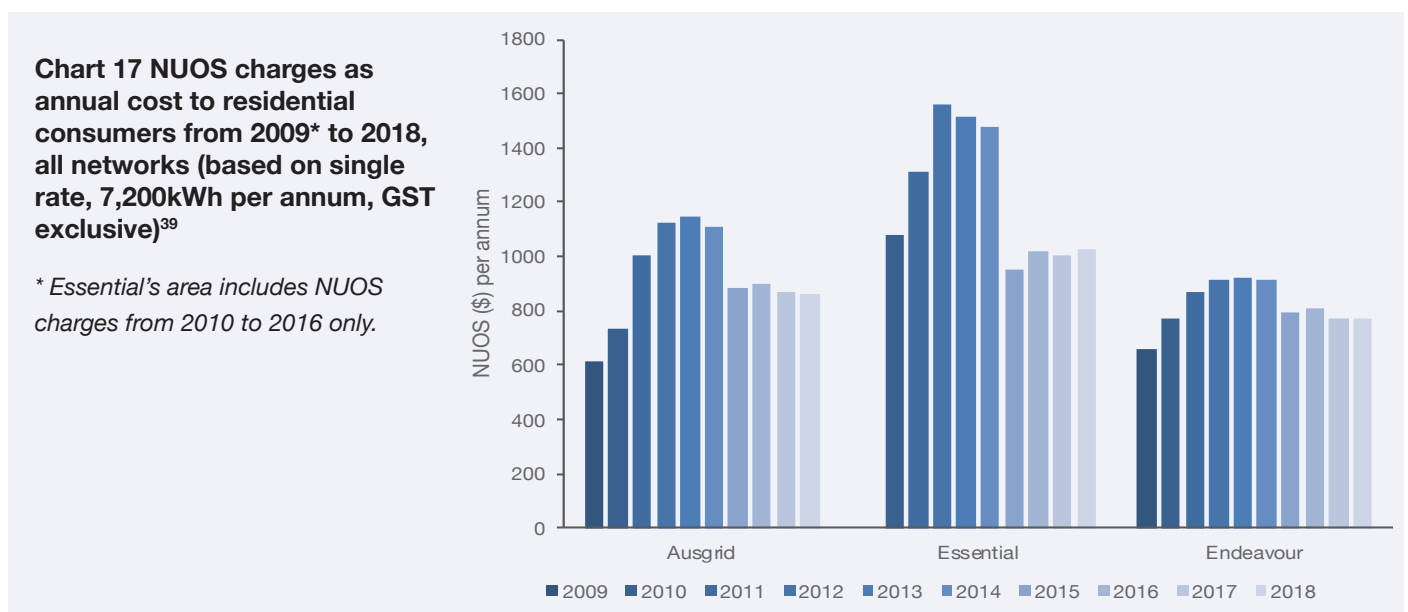
<sup>38</sup> These bill estimates are based on rates published on the retailers' websites in July - August 2018 and it must be noted that retailers may change their rates at any time.

### 3. Cost components and bill-stack analysis

The NSW electricity networks (Ausgrid, Essential and Endeavour) introduce new Network Use of System (NUOS) charges in July every year. These NUOS charges are approved by the Australian Energy Regulator (AER) and comprise Transmission Use of System (TUOS) and Distribution Use of System (DUOS) as well as other costs such as jurisdictional charges and metering charges. The retailers can, and generally will, build changes to the NUOS (in relation to both shape and price) into their retail tariffs.

The charts presented below show that while the NUOS charges for average consumption households increased significantly from 2009 to 2012, they then flattened out before substantially decreasing in 2015. In July 2017 and 2018, the NUOS decreased somewhat in all network areas except for in Essential where there was a small increase in July 2018. See chart 17 below.

Network charges as proportion of total bill have also flattened out or decreased in recent years. From July 2014, the NUOS proportion of bills dropped substantially. The proportion is currently 32% in Ausgrid, 37% in Essential and 31% in Endeavour. See chart 18 below.

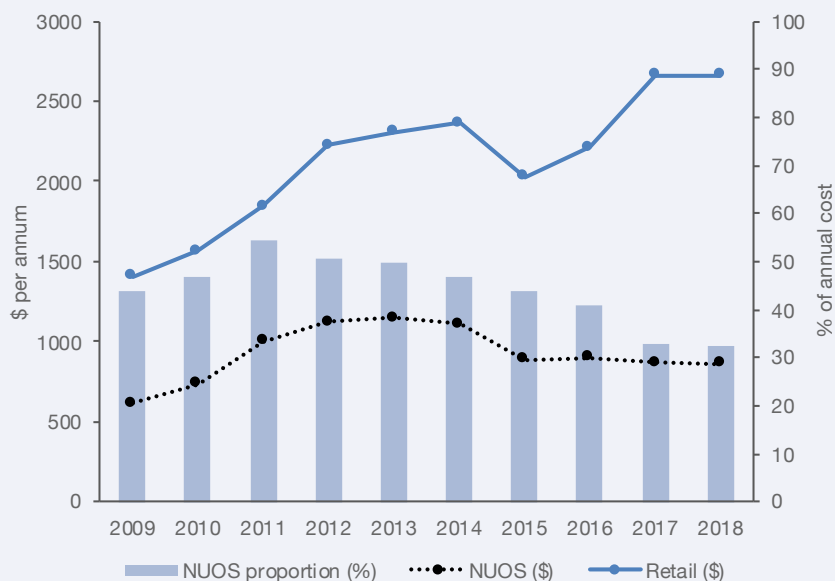


<sup>39</sup> The annual NUOS charges have been calculated by allocating 1,800kWh per quarter (again based on annual consumption of 7,200kWh) to the step charges stipulated in the NUOS (excluding GST). The annual NUOS cost also includes fixed charges.

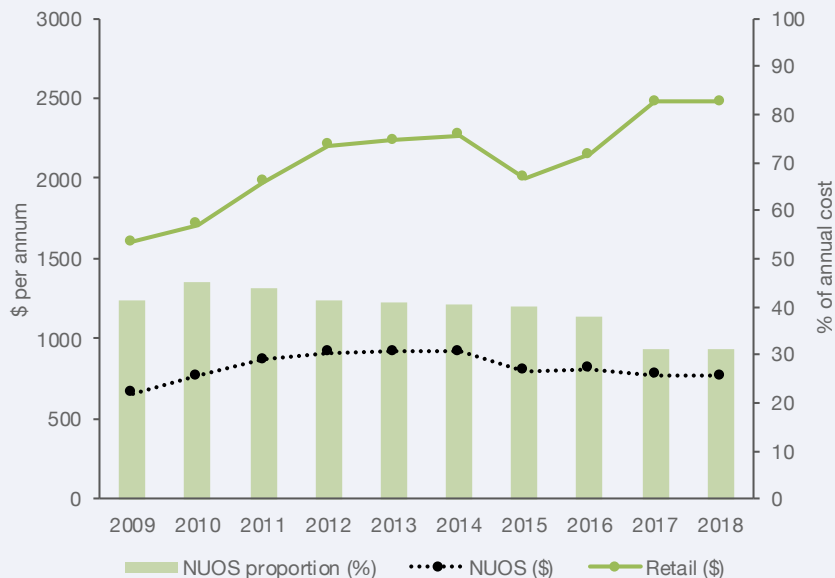
<sup>40</sup> The NUOS proportion of total bill has been calculated using annual NUOS cost calculations (see footnote above) and the retailers' regulated/standing offers as of July every year (from 2009 to 2017), presented as annual bills for households using 7,200kWh per annum (single rate, incl. GST) across the three distribution areas. Post 2013 the retail bills are based on the incumbent retailers' (Origin and Energy Australia) standing offers.

Charts 19-21 below show annual retail bills (solid line), NUOS charges as annual cost (dotted line) and as proportion of annual bill (columns) for each of the network areas. The methodology used for these calculations is the same as for charts 17-18 above.

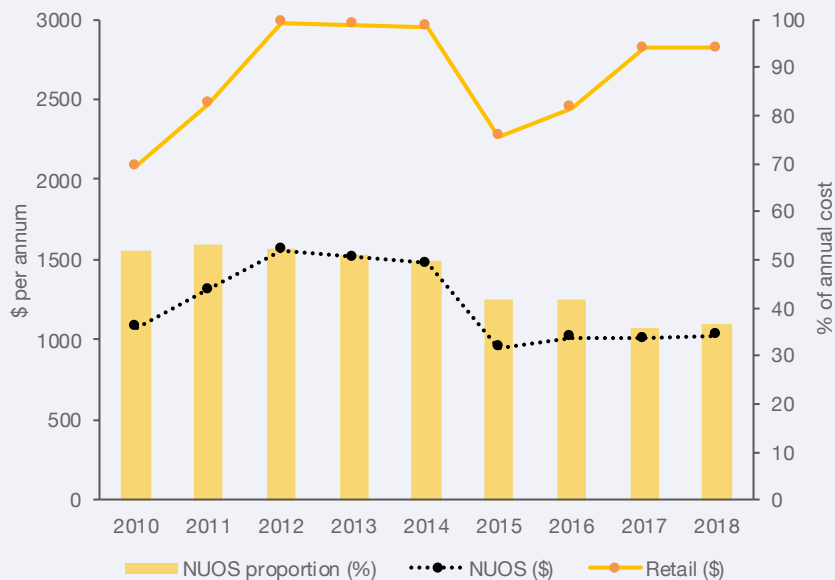
**Chart 19 Ausgrid: Retail bill per annum, NUOS charges and NUOS as proportion of total bill Based on regulated offer (2009-2013) and Energy Australia's single rate standing offer (2014 and 2018), 7,200kWh per annum, incl. GST.**



**Chart 20 Endeavour Energy: Retail bill per annum, NUOS charges and NUOS as proportion of total bill Based on regulated offer (2009-2013) and Origin's single rate standing offer (2014 and 2018), 7,200kWh per annum, incl. GST**



**Chart 21 Essential Energy: Retail bill per annum, NUOS charges and NUOS as proportion of total bill Based on regulated offer (2010-2013) and Origin's single rate standing offer (2014 and 2018), 7,200kWh per annum, incl. GST**



In addition to NUOS charges and retail, other key cost components of electricity bills are generation (wholesale market) costs, “green schemes” costs, and other costs associated with other public policy initiatives.

To estimate the wholesale cost, we have relied on both the AEMC’s annual price trend report for 2017.

**Table 6** Wholesale costs in NSW (\$/MWh) from 2016/17 to 2018/19

Energy Purchase Cost*	Ausgrid	Essential	Endeavour
2016/17	\$89.15	\$82.12	\$89.72
2017/18	\$113.52	\$108.69	\$114.42
2018/19	\$91.28	\$87.19	\$91.88

\* Estimated energy purchase cost for 2016/17, 2017/18 and 2018/19 (financial years). Based on Figure 24 in Frontier Economics, 2017 Residential Electricity Price Trends Report, A report prepared for the AEMC December 2018, 59. Note that the AEMC has supplied the numbers that the base case scenario in Figure 24 is based on.

The AEMC’s Residential Electricity Price Trends report have also been used as a source to estimate “green scheme” costs for South Australia.<sup>41</sup> Table 7 below shows the cost of “green schemes” used for this analysis.

**Table 7** AEMC estimated “Green scheme” costs (c/kWh) from 2016/17 to 2018/19

	Green Schemes (c/kWh)
2016/17	1.65
2017/18	1.71
2018/19	1.85

In order to examine what households actually pay for the various services (and policies) that are costed by the supply chain and passed on to consumers in the form of a retail bill, tables 8 - 10 below estimate the retail component of bills for standing offer customers, market offer customers and new solar market offers. All tables are based on households consuming 7,200 kWh per annum at a single rate tariff.

By deducting GST, NUOS costs, wholesale costs and the cost of environmental policies (“green schemes”), amounts in the final row represent the estimated retail component (retail costs and profits). As of July 2018, the estimated average retail component is approximately \$740 per annum for standing offer customers, \$420 for market offer customers (including pay on time discounts) and \$95 for solar customers (including pay on time discounts).<sup>42</sup>

**Table 8** Deduction of bill components for standing offers in each network area, average annual bill based on offers effective as of July 2018 (7,200kWh per annum, single rate)

	Ausgrid	Essential	Endeavour
Retail bill incl. GST <sup>^</sup>	2,661	2,819	2,477
Retail bill excl. GST	2,419	2,563	2,252
Retail bill excl. GST and NUOS*	1,556	1,533	1,481
Retail bill excl. the above and whole-sale**	899	905	819
Retail bill excl. the above and ‘Green Schemes’***	766	772	686

<sup>^</sup> Based the incumbent retailer’s standing offer (July 2018)

\* NUOS as of July 2018

\*\*Based on \$91.28/MWh in Ausgrid, \$87.19/MWh in Essential and \$91.88/MWh in Endeavour

\*\*\*LRET @ 0.89 c/kWh, SRES @ 0.33 c/kWh, Climate Change Fund @ 0.4 c/kWh, Energy Savings Scheme @0.23 c/kWh

<sup>41</sup> See AEMC, Residential Electricity Price Trends Reports, 2017, Figure C3, 100.

<sup>42</sup> Note that this is based on components of customers’ bills and not retailers’ revenue from each customer type. The energy exported by solar customers does, for example, have a value to the retailers. Other charges such as market fees and ancillary service fees as well as losses have not been accounted for in this bill-stack.

**Table 9** Deduction of bill components for market offers in each network area, average annual bill based on offers effective as of July 2018 (7,200kWh per annum, single rate)

	Ausgrid	Essential	Endeavour
<b>Retail bill incl. GST<sup>^</sup></b>	2,236	2,481	2,173
<b>Retail bill excl. GST</b>	2,033	2,255	1,975
<b>Retail bill excl. GST and NUOS*</b>	1,170	1,225	1,204
<b>Retail bill excl. the above and whole-sale**</b>	513	598	543
<b>Retail bill excl. the above and 'Green Schemes'***</b>	379	464	410

<sup>^</sup> Average across all retailers (July 2018), including pay on time discounts

\* NUOS as of July 2018

\*\*Based on \$91.28/MWh in Ausgrid, \$87.19/MWh in Essential and \$91.88/MWh in Endeavour

\*\*\*LRET @ 0.89 c/kWh, SRES @ 0.33 c/kWh, Climate Change Fund @ 0.4 c/kWh, Energy Savings Scheme @0.23 c/kWh

**Table 10** Deduction of bill components for solar market offers in each network area, average annual bill based on offers effective as of July 2018 (7,200kWh per annum, single rate)

	Ausgrid	Essential	Endeavour
<b>Retail bill incl. GST<sup>^</sup></b>	1,348	1,515	1,307
<b>Retail bill excl. GST</b>	1,225	1,377	1,188
<b>Retail bill excl. GST and NUOS*</b>	608	597	634
<b>Retail bill excl. the above and whole-sale**</b>	172	180	195
<b>Retail bill excl. the above and 'Green Schemes'***</b>	84	92	107

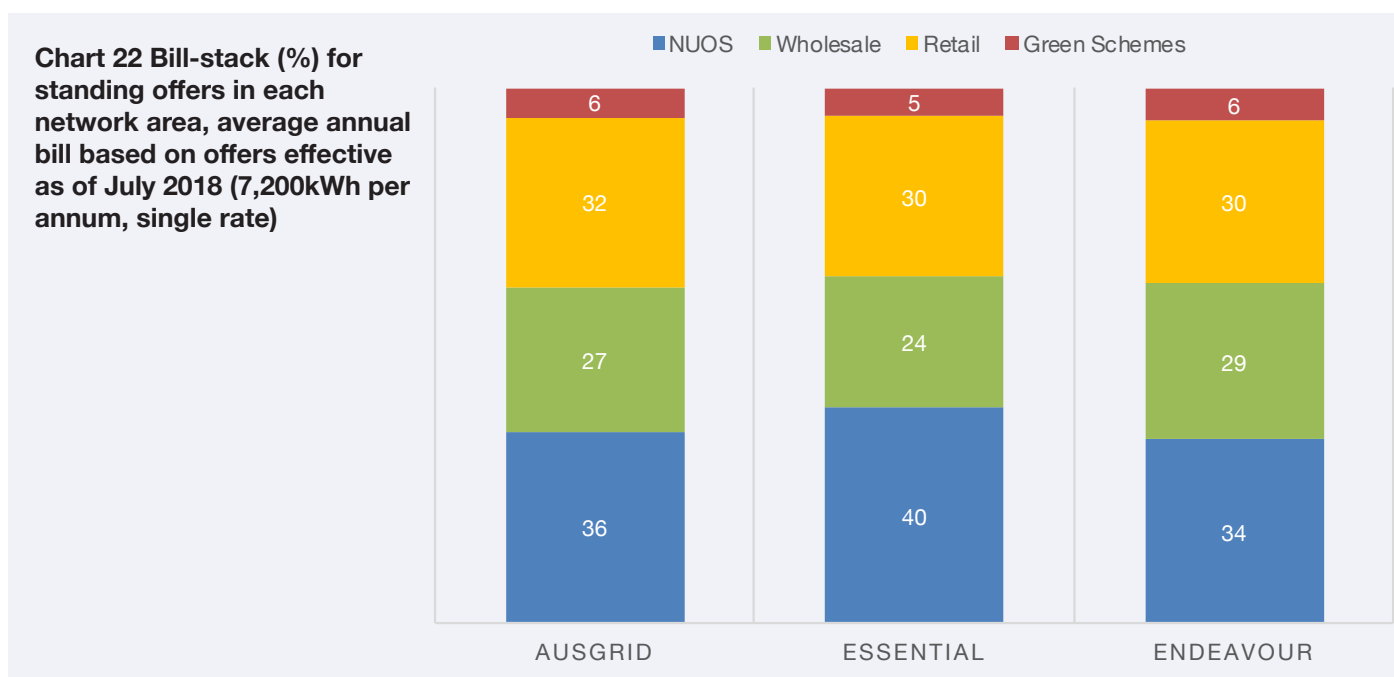
<sup>^</sup> Average across all retailers (July 2018), including pay on time discounts

\* NUOS as of July 2018

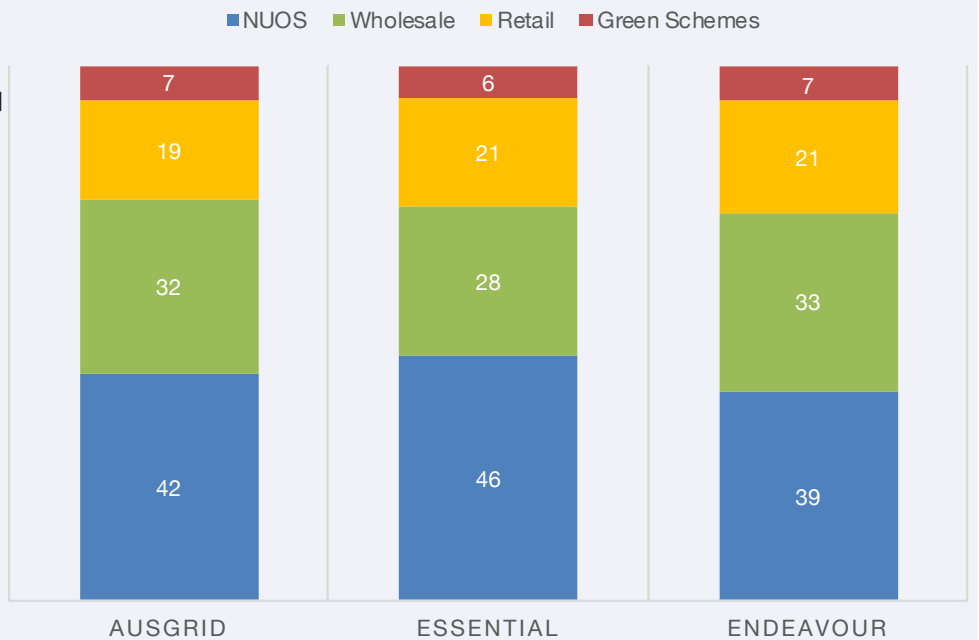
\*\*Based on \$91.28/MWh in Ausgrid, \$87.19/MWh in Essential and \$91.88/MWh in Endeavour

\*\*\*LRET @ 0.89 c/kWh, SRES @ 0.33 c/kWh, Climate Change Fund @ 0.4 c/kWh, Energy Savings Scheme @0.23 c/kWh

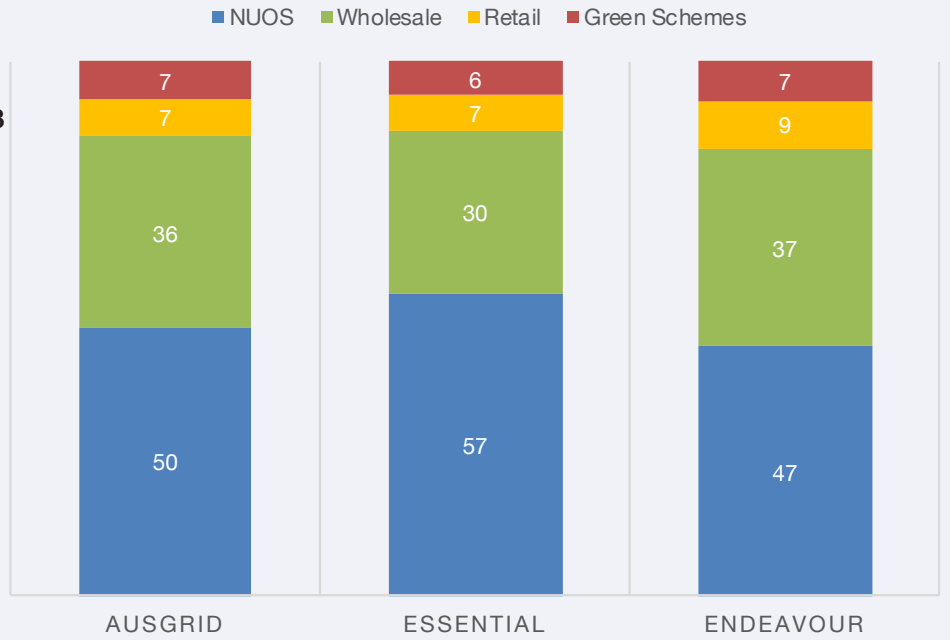
Based on the calculations in tables 8-10 above, charts 22 - 24 w the estimated bill proportion (%) of each cost for standing offer, market offer and solar customers.



**Chart 23 Bill-stack (%) for market offers in each network area, average annual bill based on offers effective as of July 2018 (7,200kWh per annum, single rate)**

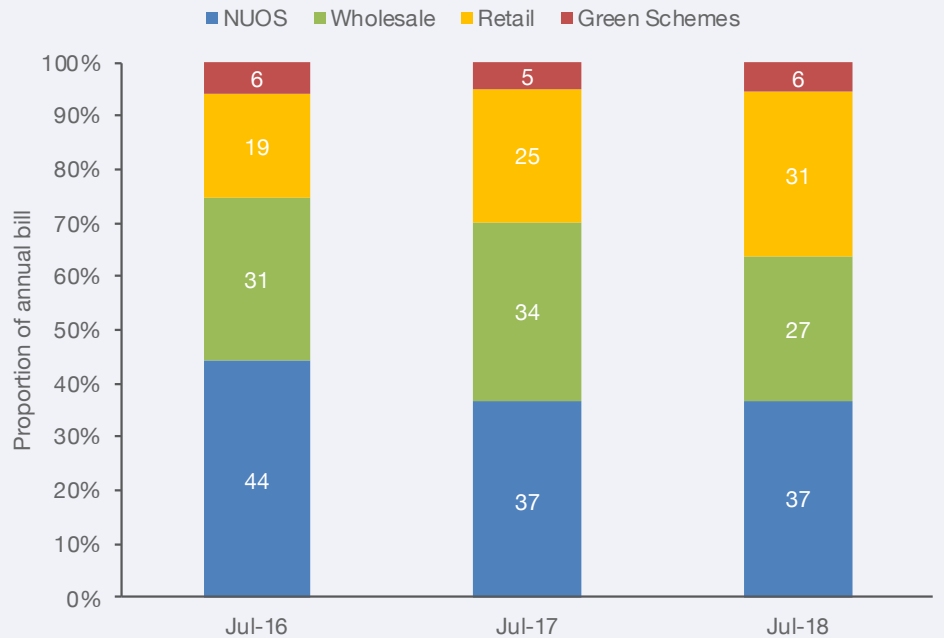


**Chart 24 Bill-stack (%) for solar market offers in each network area, average annual bill based on offers effective as of July 2018 (7,200kWh per annum, single rate)**



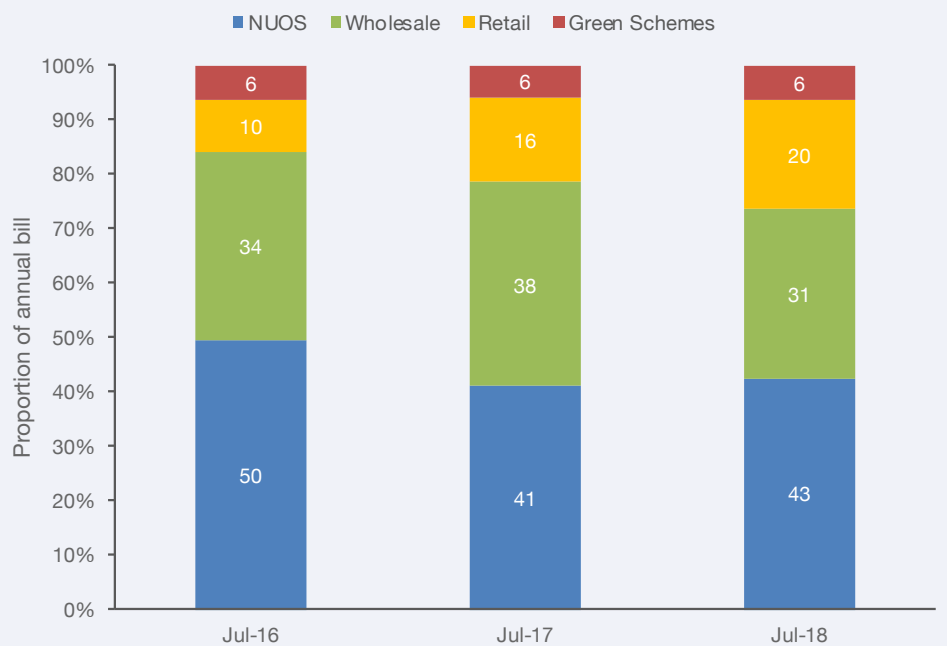
In terms of changes over time, the average retail proportion of bills has increased for standing offer bills (chart 25 below).

**Chart 25 Bill-stack (%) for average standing offer bills (incumbent retailers only), from July 2016 to July 2018 (7,200kWh per annum, single rate, excl GST)**



For market offers (chart 26 below), the retail component is lower compared to standing offers but it has increased over the period.

**Chart 26 Bill-stack (%) for average market offer bills (all retailers), from July 2016 to July 2018 (7,200kWh per annum, single rate, excl GST)**

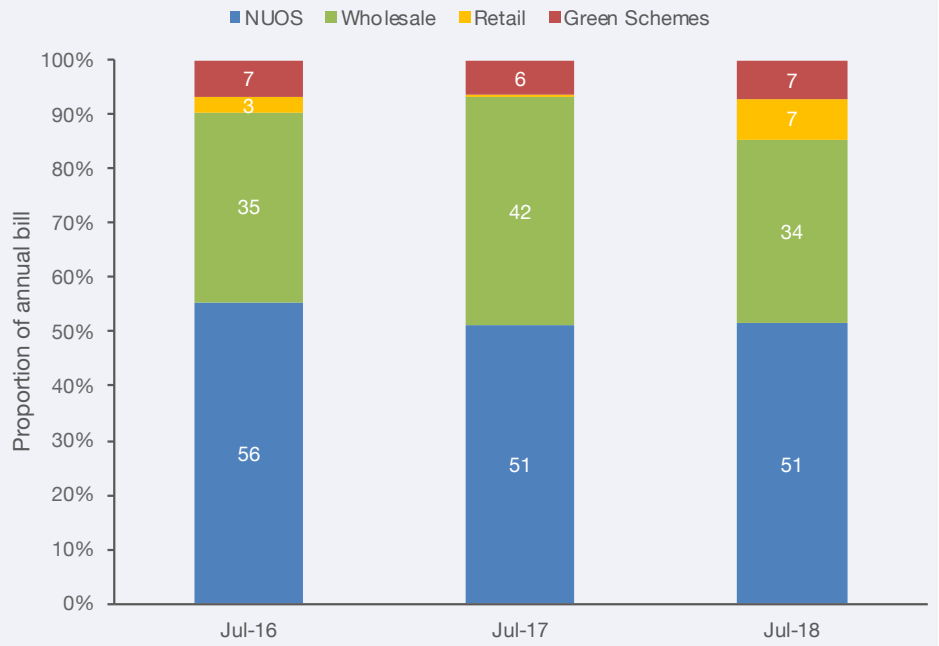


For solar offers (chart 27 below), the retail component comes up as zero in 2017. This could indicate that retail margins on solar offers were particularly low that year but we stress that the value of the energy exported by solar customers is not included in this bill-stack.<sup>43</sup>

For solar customers, the greatest cost component of bills is the network (NUOS) charges.

<sup>43</sup> This is the electricity that has been generated and exported, and that the retailer has paid a feed-in-tariff for. Furthermore, as we do not know the retail cost and profit component of bills, we estimate the amount by subtracting more known costs from the average bill (see tables 8-10 above). Obviously, there will always be a cost associated with electricity retailing and a low or negative number for the retail cost component simply indicates that the retailers' margins for that customer group (in that jurisdiction/network area) was lower that year compared to years where there is a higher number.

**Chart 27 Bill-stack (%) for average solar offer bills (all retailers), from July 2016 to July 2018 (7,200kWh per annum, single rate, excl GST), households with 3kW systems installed**





## 4. Solar offers

There are over 400,000 small scale solar systems in NSW.<sup>44</sup> The NSW Solar Bonus Scheme ended on 1 January 2017 and approximately 146,000 small customers hence came off the subsidised feed in tariff (FIT) of 60 or 20 cents per exported kWh (depending on when they joined the scheme). In June 2018, IPART stated that a fair and reasonable benchmark range for solar electricity fed back into the grid is between 6.9 and 8.4 cents per kWh.<sup>45</sup> While the NSW Government has called on retailers to offer FIT rates consistent with this benchmark range, the retailers are not have an obligation to offer.<sup>46</sup> Customers looking for solar offers need to assess both the retailers' FIT rates as well as the cost of electricity imported.

This section analyses and compares market offer bills for NSW customers with 1.5 kW and 3 kW systems installed. As retailers are not required to publish rates for solar products purchased and installed through them, this analysis only examines electricity offers available to customers independently of solar panels and installation.

### Methodologies and assumptions

To calculate the annual bills for the various solar market offers the following assumptions and methodology have been applied:

- An annual household consumption of 7,200kWh (including both produced and imported).
- Calculations have been produced for households with 1.5 kW and 3 kW systems only.
- For Sydney households, an annual generation capacity per kW installed of 1.614 MWh and an export rate of 49.9% for 3 kW systems and 18.9% for 1.5 kW systems.<sup>47</sup>
- For non-metropolitan households, an annual generation capacity per kW installed of 1.801 MWh and an export rate of 55.1% for 3 kW systems and 27.3% for 1.5 kW systems.<sup>48</sup>
- Only FIT rates available to new customers have been included. Retailer funded FIT rates have been applied as per offer (see table 7 below).
- A flat annual consumption has been assumed.
- The annual bills have been based on quarterly bill calculations and all step increases have been applied as quarterly thresholds (including when the retail offer refers to daily or monthly thresholds). Daily fixed charges have been multiplied by 91 to calculate the quarterly amount.

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<sup>44</sup> Small scale is defined as systems up to 100 kW. Clean Energy Council, Clean Energy Australia Report 2018, 44

<sup>45</sup> See benchmark range 2018-19 in IPART, Solar feed-in tariffs, The value of electricity from small-scale solar panels in 2018-19, Final report, June 2018.

<sup>46</sup> See <https://www.energy.nsw.gov.au/renewable-energy/consumers/solar/solar-bonus-scheme/feed-in-tariffs-energy-consumption-and-consumer-rights>

<sup>47</sup> These figures are based analysis presented in a report for the Alternative Technology Association (ATA) by Alviss Consulting (Alviss Consulting, Retail Offers and Market Transparency for New Solar Customers, June 2013).

<sup>48</sup> Ibid.

**Table 11:** Retailers' FIT rates (July 2018)

<b>Retailer</b>	<b>Offer</b>	<b>FIT rate (c/kWh)</b>
<b>AGL</b>	Solar Savers	20
<b>Click Energy</b>	Solar	17
<b>Commander</b>	Market offer	11.6
<b>CovaU</b>	Freedom Solar	8.5
<b>Diamond Energy</b>	Pay on time discount	12
<b>Dodo Power &amp; Gas</b>	Market offer	11.6
<b>EnergyAustralia</b>	Anytime Saver	12.5
<b>Mojo Power</b>	Connect	20
<b>Momentum Energy</b>	SmilePower	7
<b>Origin Energy</b>	Solar Boost Plus	17
<b>Powerdirect</b>	Market offer	11.1
<b>Powershop</b>	Power Saver	10.2
<b>Red Energy</b>	Living Energy Saver	11.1
<b>Simply Energy</b>	Simply Plus	11.3
<b>Energy Locals</b>	Market offer	9
<b>Alinta Energy</b>	Fair Deal	7.5
<b>Sumo Power</b>	Pay on time	11.1
<b>1st Energy</b>	Market offer	5.1
<b>Amaysim</b>	Solar 2	17
<b>Q Energy</b>	Flexi Saver	8

Chart 28 below compares annual retail bills for solar customers in Sydney (Ausgrid) with 3 kW and 1.5 kW installed. It shows that for this consumption level, the average market offer bill for households in this area with a 3 kW system installed is \$1,350 and that is \$885 less than the average market offer bill for non-solar customers (see chart 7 in section 2.1.1 above). Households with a 1.5 kW system installed will have an annual bill of \$1,730.

Chart 28 also shows that Click, Commander, Diamond, Dodo, Mojo and Momentum's offers produce annual bills above the average for both 3 kW and 1.5 kW systems. Mojo's offer, which together with AGL, offers the highest FIT rate, produces bills that are substantially higher than average for both households with 1.5 kW and 3 kW systems. Sydney (Ausgrid) solar customers with 1.5 kW systems (and this consumption level) would be approximately \$730 per annum better off on Q Energy's offer compared to Click's offer, despite Q Energy's relatively low FIT rate. This highlights the importance of solar customers not choosing retail offers based on FIT rates alone. Customers with a 3 kW system installed may save \$560 per annum if they switched from Dodo to Energy Australia's offer.

**Chart 28 Annual bills including discounts and FIT credits for Sydney/Ausgrid customers with 3 kW and 1.5 kW solar systems. Electricity offers post July 2018 as annual bills, Single rate, 7,200kWh (GST inc).<sup>49</sup>**

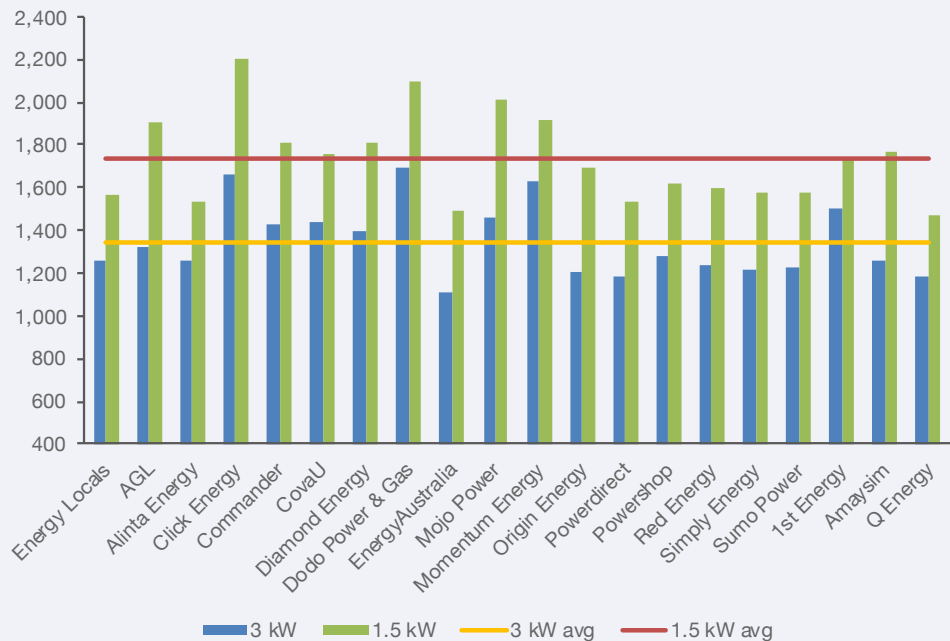
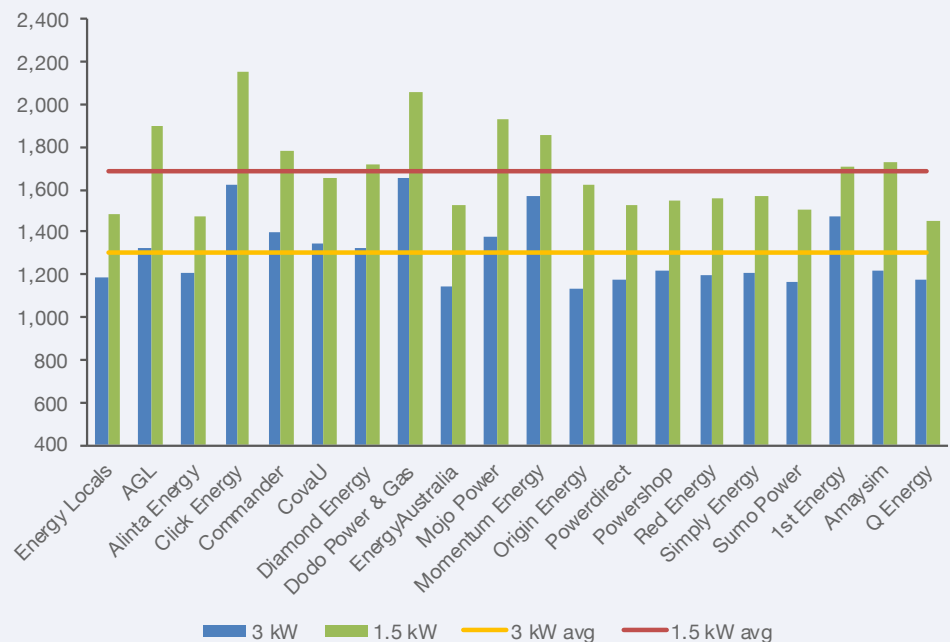


Chart 29 below shows annual bills for Sydney solar customers in the Endeavour network. It shows that for this consumption level, the average market offer bill for households in this area with a 3 kW system installed is \$1,310 and that is \$865 less than the average market offer bill for non-solar customers (see chart 8 in section 2.1.1 above). Households with a 1.5 kW system installed will have an annual bill of \$1,690.

**Chart 29 Annual bills including discounts and FIT credits for Sydney/ Endeavour customers with 3 kW and 1.5 kW solar systems. Electricity offers post July 2018 as annual bills, Single rate, 7,200kWh (GST inc).<sup>50</sup>**

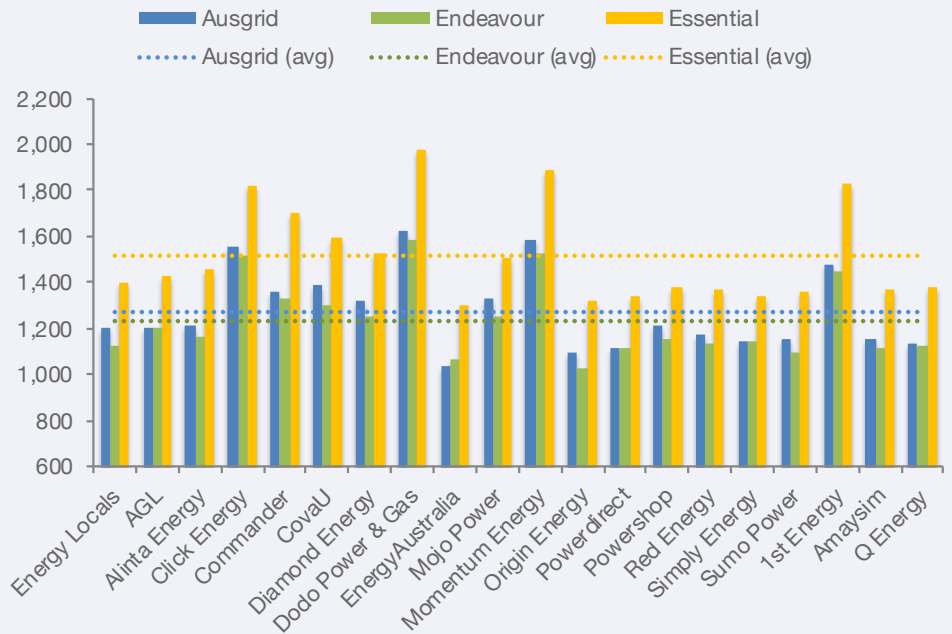


Homes outside Sydney’s metropolitan area will typically have less overshadowing and therefore a higher generation capacity and export rate. Chart 30 compares annual retail bills for non-metropolitan solar customers with 3 kW systems in the three network areas. It shows that the average annual bill for non-metropolitan solar customers with this consumption level is \$1,275 in Ausgrid, \$1,235 in Endeavour and \$1,515 in Essential. Compared to non-solar households, the average bill is \$960 less in Ausgrid, \$940 less in Endeavour, and \$965 less in Essential (see section 2.1.1 above for non-solar customers).

<sup>49</sup> Calculations include discounts off usage or bill as well as pay on time discounts off usage or bill.

<sup>50</sup> Ibid.

**Chart 30 Annual bills including discounts and FIT credits for non-metropolitan customers in Ausgrid, Endeavour and Essential with 3 kW solar systems. Electricity offers post July 2018 as annual bills, Single rate, 7,200kWh (GST inc)<sup>51</sup>**



Figures 6 - 8 below show estimated annual bills for solar market offers including FIT and discounts for Sydney customers in Ausgrid and Endeavour’s networks and non-metropolitan customers in the Essential network (all based on 3 kW systems).<sup>52</sup>

<sup>51</sup> Ibid.

<sup>52</sup> These market offers were collected between 15 July and 30 August 2018 (except for Sumo which was collected on 3 September) and it should be noted that retailers may change their rates at any time. Additional discounts for customers choosing to pay by direct debit are not included in these bill calculations.

**Figure 6** Lowest to highest annual bills (incl GST) for solar market offers post July 2018, including discounts and pay on time discounts – Sydney households in the Ausgrid network with 3kW systems installed and consuming 7,200kWh annum (including both produced and imported), single rate

	Energy Australia	\$1,115
	Powerdirect	\$1,180
	QEnergy	\$1,188
	Origin Energy	\$1,201
	Simply Energy	\$1,219
	Sumo Power	\$1,227
	Red Energy	\$1,240
	Amaysim	\$1,256
	Energy Locals	\$1,258
	Alinta Energy	\$1,262
	Powershop	\$1,276
	AGL	\$1,323
	Diamond Energy	\$1,398
	Commander Electricity	\$1,432
	CovaU	\$1,443
	Mojo Power	\$1,456
	1st Energy	\$1,507
	Momentum Energy	\$1,627
	Click Energy	\$1,660
	Dodo Power & Gas	\$1,693

**Figure 7** Lowest to highest annual bills (incl GST) for solar market offers post July 2018, including discounts and pay on time discounts – Sydney households in the Endeavour network with 3kW systems installed and consuming 7,200kWh annum (including both produced and imported), single rate

	Origin Energy	\$1,132
	Energy Australia	\$1,144
	Sumo Power	\$1,163
	QEnergy	\$1,175
	Powerdirect	\$1,180
	Energy Locals	\$1,186
	Red Energy	\$1,201
	Alinta Energy	\$1,208
	Simply Energy	\$1,212
	Powershop	\$1,214
	Amaysim	\$1,222
	AGL	\$1,323
	Diamond Energy	\$1,327
	CovaU	\$1,351
	Mojo Power	\$1,374
	Commander Electricity	\$1,401
	1st Energy	\$1,478
	Momentum Energy	\$1,568
	Click Energy	\$1,617
	Dodo Power & Gas	\$1,655

**Figure 8** Lowest to highest annual bills (incl GST) for solar market offers post July 2018, including discounts and pay on time discounts – households in the Essential network with 3kW systems installed and consuming 7,200kWh annum (including both produced and imported), single rate

	Energy Australia	\$1,301
	Origin Energy	\$1,324
	Simply Energy	\$1,340
	Powerdirect	\$1,344
	Sumo Power	\$1,357
	Red Energy	\$1,368
	Amaysim	\$1,369
	Powershop	\$1,380
	QEnergy	\$1,384
	Energy Locals	\$1,395
	AGL	\$1,432
	Alinta Energy	\$1,455
	Mojo Power	\$1,509
	Diamond Energy	\$1,526
	CovaU	\$1,595
	Commander Electricity	\$1,707
	Click Energy	\$1,823
	1st Energy	\$1,831
	Momentum Energy	\$1,889
	Dodo Power & Gas	\$1,973

## 5. Total cost of energy by area

As approximately 40% of NSW households are connected to both electricity and gas, it is important to analyse whether there are areas that have experienced high increases/decreases in both electricity and gas prices, and conversely, whether there are areas where the increases/decreases in electricity and gas prices are at the lower end.<sup>53</sup> Such analysis allows for a more detailed understanding of the total energy costs faced by households across NSW.

### 5.1 Inner Sydney, Northern Sydney, Swansea, Newcastle, Maitland, Cessnock Singleton and Upper Hunter



Source: [www.ausgrid.com.au](http://www.ausgrid.com.au)

In this area, Energy Australia's electricity standing offer bill is \$2,660 per annum (based on households consuming 7,200kWh/annum). The gas standing offer (AGL) produces an annual bill of \$1,025 for households using 24,000 Mj/annum bringing the total annual energy bill in inner and Eastern Sydney, Sydney's North, Swansea and Newcastle to approximately \$3,685.<sup>54</sup>

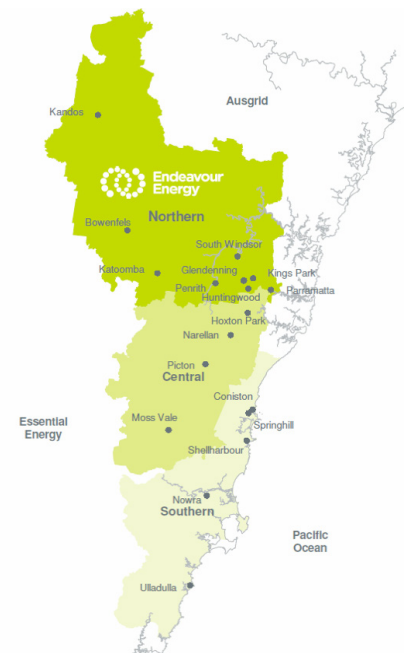
All-electric households in Sydney, Newcastle, Maitland, Singleton, Muswellbrook and the Upper Hunter will typically have an annual electricity cost \$2,475.<sup>55</sup>

### 5.2 Western Sydney, Wollongong, Blue Mountains, Lithgow, Kandos, Moss Vale, Nowra, Ulladulla

In this area, Origin's annual electricity standing offer bill is \$2,480 (based on households consuming 7,200kWh/annum). Dual fuel households in Western Sydney, Wollongong, Blue Mountains and Lithgow will typically have an annual energy bill of \$3,505 from July 2018.<sup>56</sup>

As gas prices have increased in Nowra/Shoalhaven, dual fuel households in this area will typically have a slightly higher annual energy bill at \$3,570.<sup>57</sup>

All-electric households in Western Sydney, Wollongong, Blue Mountains, Lithgow, Kandos, Moss Vale, Nowra and Ulladulla will typically have an annual electricity bill of \$2,30.<sup>58</sup>



Source: [www.endeavourenergy.com.au](http://www.endeavourenergy.com.au)

<sup>53</sup> According to IPART, approximately 40% of all NSW households use gas and in the Sydney metropolitan area approximately 50% of households use gas. IPART, Review of regulated retail prices and charges for gas, Final report, June 2014, p 52 .

<sup>54</sup> These are households in Ausgrid's electricity distribution network and Jemena/AGL's gas zone.

<sup>55</sup> These are households on a two-rate (controlled load) tariff in Ausgrid's electricity distribution network.

<sup>56</sup> These are households in Endeavour Energy's electricity distribution network and Jemena/AGL's gas zone.

<sup>57</sup> These are households in Endeavour Energy's electricity distribution network and ActewAGL's Shoalhaven gas zone. Based on the incumbents' standing offer and an annual consumption of 7,200kWh and 24,000Mj.

<sup>58</sup> These are households on Origin's two-rate (controlled load) standing offer in the Endeavour Energy network using 8,000kWh per annum (30% as controlled off-peak load).

### 5.3 Rural and Regional NSW

In rural and regional NSW, all-electric households (8,000kWh, 30% controlled off peak) on Origin’s standing offer will have an annual electricity bill of \$2,770. For dual fuel customers, the electricity bill will typically be around \$2,820 per annum.<sup>59</sup>



Source: Country Energy, Annual Report 2009-10

- Dual fuel households with an average consumption of electricity and gas in Bathurst, Orange, Dubbo and Parkes will typically have an annual energy bill of \$3,845 from July 2018.<sup>60</sup>
- Dual fuel households in Goulburn, Boorowa, Yass and will typically have an annual energy bill of \$3,885 from July 2018.<sup>61</sup>
- Dual fuel households in Queanbeyan and Bungendore will typically have an annual energy bill of \$3,935.<sup>62</sup>
- Dual fuel households in Tumut and Gundagai will typically have an annual energy bill of \$3,850.<sup>63</sup>

- Dual fuel households in Temora, Holbrook, Henty, Culcairn and Walla Walla, will typically have an annual energy bill of \$3,810.<sup>64</sup>
- Dual fuel households in Cooma and Bombala will typically have an annual energy bill of \$3,780.<sup>65</sup>
- Dual fuel households in Wagga Wagga and Uranquinty will typically have an annual energy bill of \$3,730.<sup>66</sup>
- Dual fuel households in Tamworth will typically have an annual energy bill of \$4,090.<sup>67</sup>
- Dual fuel households in Albury and Jindera will typically have an annual energy bill of \$3,665.<sup>68</sup>
- Dual fuel households in Moama and other Murray Valley towns will typically have an annual energy bill of \$4,005.<sup>69</sup>

<sup>59</sup> These are households on Origin’s single rate standing offer in the Essential Energy network using 7,200kWh per annum.

<sup>60</sup> These are households in Essential Energy’s electricity distribution network and Jemena/AGL’s gas zone. Based on the incumbents’ standing offer and an annual consumption of 7,200kWh and 24,000Mj.

<sup>61</sup> These are households in Essential Energy’s electricity distribution network and ActewAGL’s Goulburn gas zone.

<sup>62</sup> These are households in Endeavour Energy’s electricity distribution network and ActewAGL’s Queanbeyan gas zone.

<sup>63</sup> These are households in Essential Energy’s electricity distribution network and Origin Energy’s Tumut gas zone.

<sup>64</sup> These are households in Essential Energy’s electricity distribution network and Origin Energy’s Temora gas zone.

<sup>65</sup> These are households in Essential Energy’s electricity distribution network and Origin Energy’s Cooma gas zone.

<sup>66</sup> These are households in Essential Energy’s electricity distribution network and Origin Energy’s Wagga Wagga gas zone.

<sup>67</sup> These are households in Essential Energy’s electricity distribution network and Origin’s Tamworth gas zone.

<sup>68</sup> These are households in Essential Energy’s electricity network and Origin’s Albury gas zone.

<sup>69</sup> These are households in Essential Energy’s electricity network and Origin’s Murray Valley gas zone.