

# NSW Energy Prices

## July 2017

An update report on  
the NSW Tariff-Tracking Project



**St Vincent de Paul Society**

*good works*

**New South Wales Energy Prices 2017**  
**An update report on the NSW Tariff-Tracking Project**

**May Mauseth Johnston, July 2017**



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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.

**Acknowledgements**

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: purpose and outputs**

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 2017

Workbook 2: Regulated gas offers July 2009-July 2017

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

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

Workbook 5: Solar market offers July 2016 and 2017

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 are available at [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

- NSW electricity standing offers that took effect in July 2017 produce annual bills that are typically \$325 - \$450, or 15-20%, more (depending on network area and meter type) than they were last year (July 2016).<sup>3</sup> See chart 1 in section 1 below.
- Gas prices have increased significantly in Sydney (AGL/Jemena), Boorowa, Shoalhaven, Queanbeyan, Albury and the Murray Valley regions while other gas zones have received smaller price increases (\$40-\$50 per annum) See chart 3 in section 1.
- Typical consumption households (7,200kWh) can save \$600 - \$730 per annum (depending on their network area) if switching from the incumbent retailer's standing offer to the best market offer.<sup>4</sup> See section 2.1.
- The average electricity market offer (including guaranteed and pay on time discounts) produces an annual bill of \$2,570 in the Essential Energy network, \$2,295 in Ausgrid and \$2,230 in Endeavour. See section 2.1.
- The average market offer for households consuming 7,200 kWh per annum increased by 16% to 19% (depending on network area) in July 2017.<sup>5</sup> See section 2.1.
- The difference between electricity market offers is significant and much greater compared to last year. The difference between the single best and the single worst market offer ranges from \$1,230 per annum (in Essential's area) to \$840 (in Ausgrid's area) for customers with typical consumption levels.<sup>6</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 \$656 in Essential's network (Covau Energy's offer). See section 2.1.2.
- Typical consumption gas customers in Jemena's Sydney price zone can potentially save \$145 on their annual gas bill (including pay on time

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<sup>3</sup> Based on the incumbent retailers' standing offers as of July 2016 and July 2017

<sup>4</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>5</sup> Based on the average market offer (all retailers) for each network area, single rate and inclusive of pay on time discounts. July 2017 offers compared to September 2016 offers.

<sup>6</sup> Households using 7,200kWh per annum (single rate), market offers include pay on time discounts.

discounts) by switching from AGL's standard offer to Red Energy's market offer.<sup>7</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 (AGL) and the worst (Origin) market offers is only \$15 per annum. See section 2.2.
- Network charges as proportion of total bill continue to decrease. The network proportion of the retail bill is currently 33% in Ausgrid, 36% in Essential and 31% in Endeavour's network area, compared to 41%, 42% and 38% last year. See section 3.
- The average annual bill for new solar customers (using 7,200 kWh/annum) with 3kW systems installed is around \$1,000 less compared to non-solar customers.<sup>8</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 \$710 per annum if they are on Simply's offer instead of Click Energy's. As Click offers a much higher feed in tariff (FIT) of 17 cents compared to Simply's 6.5 cents, this highlights the importance of solar customers not choosing retail offers based on FIT rates alone. See section 4.
- Most retailers offer higher FIT rates compared to last year. The increase in the FIT rate reflects the higher energy costs retailers face on the wholesale market. As such, solar households will not receive as high bill increases as non-solar households will do after July 2017. See section 4.
- The average market offer for solar households consuming 7,200 kWh per annum and with a 3 kW system installed increased by 3% to 7% (depending on network area) in July 2017.<sup>9</sup> See section 4.
- The annual energy cost for dual fuel households with typical consumption levels has increased by between \$420 and \$560.<sup>10</sup> See section 5.
- Dual fuel households in the Albury and Murray Valley region will experience the greatest increases to energy costs in the state. See section 5.

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<sup>7</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>8</sup> New solar customers cannot access the NSW Solar Bonus Scheme

<sup>9</sup> Based on the average market offer (all retailers) for each network area, single rate and inclusive of pay on time discounts. July 2017 offers compared to September 2016 offers.

<sup>10</sup> Based on incumbent retailers' electricity standing offers (7,200kWh per annum, single rate) and the regulated gas offers (24,000Mj per annum) as of July 2016 and 2017.



## 1. Energy price changes from July 2016 to July 2017<sup>11</sup>

A comparison of the incumbent retailers' July 2016 standing offers with the July 2017 offers shows that electricity costs have increased by around 20% in Ausgrid and 15% in Endeavour and Essential's network areas.<sup>12</sup> Compared to one year ago, prices are now typically \$440 to \$450 (depending on meter type) more per annum in the Ausgrid network. In the Endeavour network the typical annual bill will be approximately \$330 more than last year and in country NSW (Essential's network) it is up by \$380. Chart 1 below shows annual increases for average consumption households (per meter type) in the three network areas.

**Chart 1** Changes to the annual electricity bill from July 2016 to July 2017 (incumbent retailers' standing offer), Based on 7,200kWh per annum for single rate and 8,000kWh per annum for customers with controlled load (30% off-peak 1), incl GST

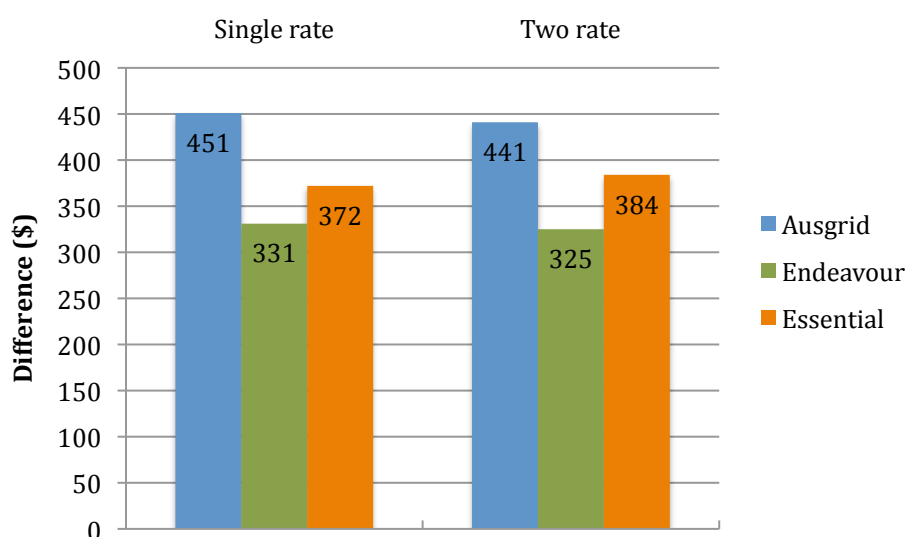


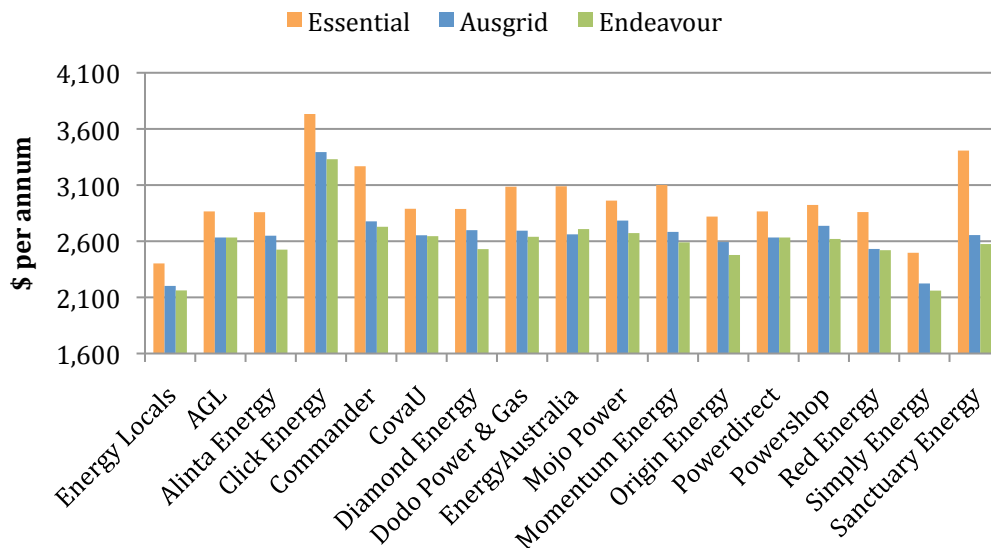
Chart 2 shows estimated annual bills for standing offer customers (single rate, 7,200kWh/annum) in each of the three network areas. The average standing offer is highest in Essential's area (approximately \$2,970) while Endeavour and Ausgrid's average standing offer is quite similar at around \$2,600-\$2,670. The maximum price spread (the difference between the best and the worst offer) is also highest in

<sup>11</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>12</sup> Energy Australia is the incumbent retailer in AusGrid's network and Origin Energy in the Essential and Endeavour networks.

Essential at \$1,330. In Endeavour and Ausgrid, the maximum standing offer price spread is \$1,170 and \$1,190 respectively.<sup>13</sup>

**Chart 2** Electricity standing offers as annual bills, July 2017, Based on 7,200kWh per annum for single rate, incl GST



The NSW Government decided to deregulate the gas retail market from 1 July 2017 and the role of the Independent Pricing and Regulatory Tribunal (IPART) is now to monitor retail gas prices instead of setting them.<sup>14</sup>

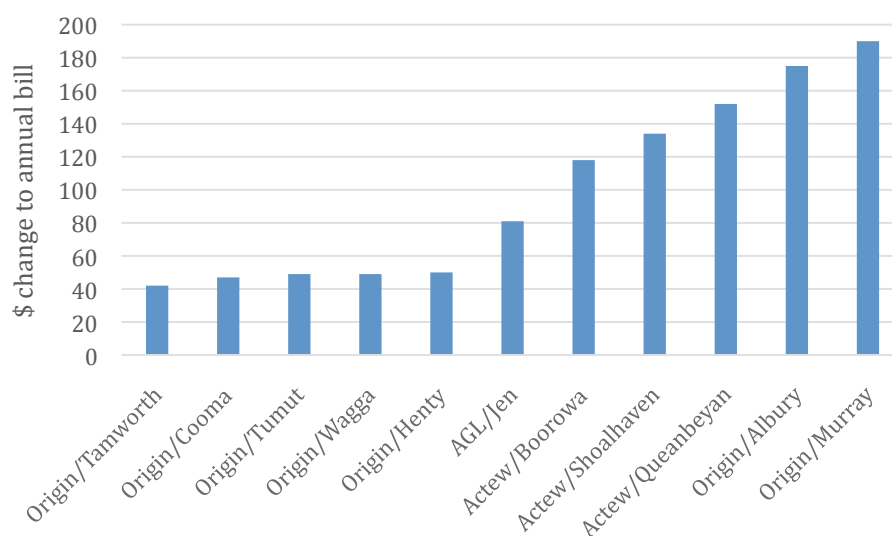
Compared to July 2016, gas prices have increased significantly in Sydney (AGL/Jemena), Boorowa, Shoalhaven, Queanbeyan, Albury and the Murray Valley regions while other gas zones have received smaller price increases (\$40-\$50 per annum).<sup>15</sup>

<sup>13</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 2016 and we have therefore not compared 2016 and 2017 standing offer prices across all retailers.

<sup>14</sup> See <http://www.resourcesandenergy.nsw.gov.au/energy-consumers/energy-sources/gas/removal-of-gas-price-regulation-deregulation>

<sup>15</sup> As gas prices became deregulated on 1 July 2017, these price increases are based on the incumbent retailers' regulated offer as of July 2016 and their published standard offer as of July 2017.

**Chart 3** Changes to the annual cost of gas from July 2016 to July 2017 for households using 24,000Mj per annum



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

<b>NSW Gas Zones and incumbent retailers</b>	
<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

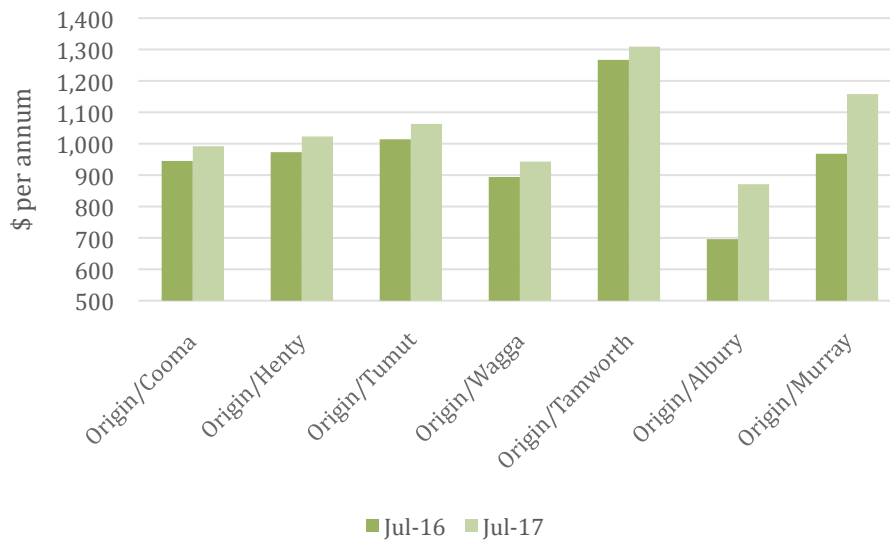
\* Temora has been under the same pricing zone as Holbrook, Henty etc. since July 2013

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 regulated gas offers as of July 2016 and the incumbent retailer’s standard offer as of July 2017.

**Chart 4** Estimated annual bills for regulated gas offers in Origin’s areas, July 2016 and July 2017 (24,000Mj per annum, inc GST)<sup>16</sup>



<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.

**Chart 5** Estimated annual bills for regulated gas offers in ActewAGL’s areas, July 2016 and July 2017 (24,000Mj per annum, inc GST)<sup>17</sup>

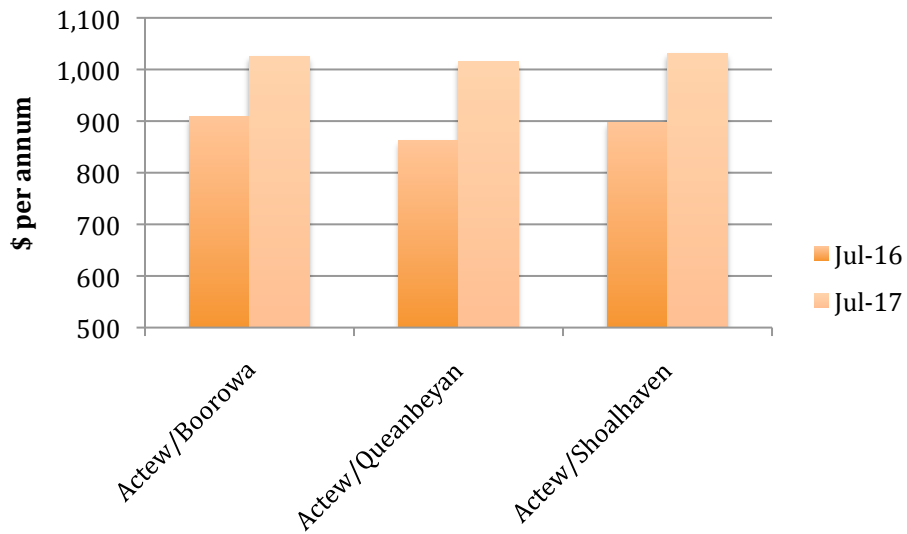


Table 2 and 3 below highlight some of the price trends for NSW electricity and gas offers. For more detailed information about the areas and differences in energy price changes see section 5.

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

**Table 2** Changes to electricity prices by area July 2016 – July 2017<sup>18</sup>

Area	Approximate changes to annual bill since July 2016		Percentage
	Single rate	Two rate <sup>^</sup>	
<b>Inner Sydney, the Central Coast up to Newcastle, and inland areas such as Maitland, Cessnock, Singleton and Upper Hunter (Ausgrid)</b>	\$450	\$440	20-21%
<b>Western Sydney, most of the Illawara Coast, the Blue Mountains and inland towns such as Lithgow and Kandos (Endeavour Energy)</b>	\$330	\$325	15-16%
<b>Most of rural and regional NSW - from north of Port Stephens and Murrundi, south of Batemans Bay and east of Lithgow (Essential Energy)</b>	\$370	\$385	15-16%

<sup>^</sup> For all-electric households with peak/off-peak (controlled load) rates

<sup>18</sup> Based on household consumption of 7,200kWh per annum at the incumbent retailers' standing offer for the single rate tariff. The second calculation is based on household consumption of 8,000kWh per annum at the average standing offer rate for the controlled load tariff (30% of total consumption allocated to the off-peak rate).

**Table 3** Changes to gas prices by area July 2016 – July 2017<sup>19</sup>

<b>Area</b>	<b>Changes to annual bill since July 2016</b>	<b>Percentage</b>
<b>Sydney, Newcastle, Wollongong, Blue Mountains (AGL)</b>	\$80	9%
<b>Cooma and Bombala (Origin)</b>	\$45	5%
<b>Temora, Holbrook, Henty, Culcairn and Walla (Origin)</b>	\$50	5%
<b>Tumut and Gundagai (Origin)</b>	\$50	5%
<b>Wagga Wagga and Uranquity (Origin)</b>	\$50	5%
<b>Tamworth (Origin)</b>	\$40	3%
<b>Boroowa, Goulburn, Yass and Young (ActewAGL)</b>	\$120	13%
<b>Queanbeyan and Bundgendore (ActewAGL)</b>	\$150	18%
<b>Shoalhaven (ActewAGL)</b>	\$135	15%
<b>Albury, Moama and Jindera (Origin)</b>	\$175	25%
<b>Murray Valley Towns (Origin)</b>	\$190	20%

<sup>19</sup> Based on the regulated gas rates for customers using 24,000Mj per annum.

## 2. Market offers July 2017

### 2.1 Electricity market offers July 2017

- The average market offer for households consuming 7,200 kWh per annum increased by 16% to 19% (depending on network area) in July 2017.<sup>20</sup>
- Typical consumption households (7,200kWh) can save \$600 - \$730 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 from \$840 per annum (in Ausgrid and Endeavour's areas) to \$1,230 (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 2017 (incl GST), including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

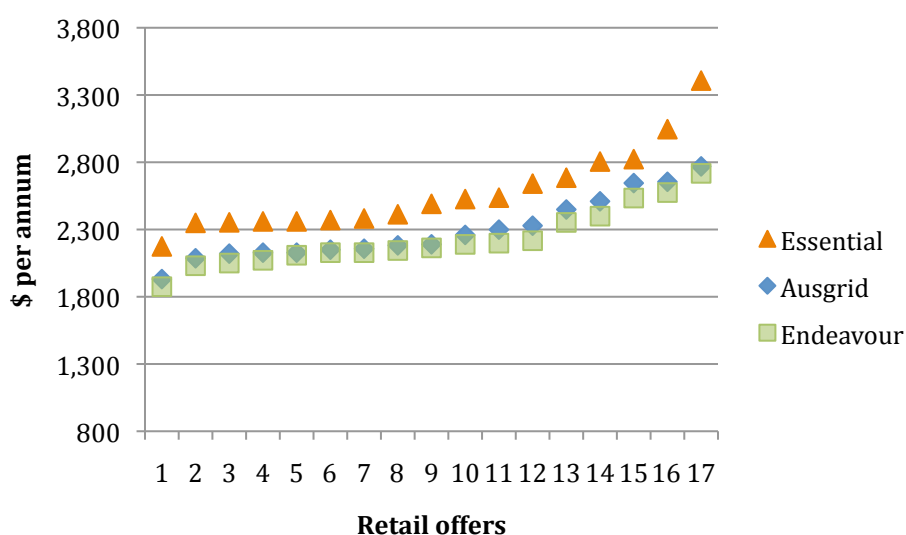


Table 4 below shows additional discounts applicable to the electricity retailers' published market offer rates. Table 4 also shows other contract terms and features, such as early termination fees, associated with these market offers. Some of the retailers have multiple market offers and may offer higher (or lower) discounts than those listed here. However, if the discounts are higher they are tied to other

<sup>20</sup> Based on the average market offer (all retailers) for each network area, single rate and inclusive of pay on time discounts. July 2017 offers compared to September 2016 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.



conditions such as payment by direct debit.<sup>23</sup> More recently, the big three retailers (AGL, Origin and Energy Australia) have also started to offer products based on unconditional discounts. Currently AGL's Everyday product offers a guaranteed discount of 12% off the bill, Energy Australia's Anytime Saver offers 12% off consumption charges and Origin's Everyday offers 5% off consumption charges. However, as AGL's Savers, Energy Australia's Flexi Saver and Origin's Saver products have been available for longer and therefore ensure continuity to our analysis, we continue to base our reports on these high pay on time discount products. That said, we will continue to monitor changes to the discounts offered.

**Table 4** Published electricity market offers as of July 2017: Key additional features and contract conditions

Retailer	Name	Effective from	Guaranteed discount	Pay on time discount	Late payment fee	Contract term/benefit period	Early termination fee
<b>Energy Locals</b>	Market offer	21/07/17	no	no	\$13	no	no
<b>AGL</b>	Savers	3/07/17	no	22% off usage	\$12.73	12 months	no
<b>Alinta Energy</b>	Fair Deal	23/07/17	no	23% off usage	no	24 months	no
<b>Click Energy</b>	Superior	1/07/17	no	15% off bill	\$12	no	no
<b>Commander</b>	Market offer	26/05/17	no	20% off usage	no	no	no
<b>CovaU</b>	Freedom	1/07/17	no	20% off bill	\$15	12 months	no
<b>Diamond Energy</b>	Pay on time discount	1/07/17	no	7% off bill	\$15	24 months	\$22
<b>Dodo Power &amp; Gas</b>	Market offer	26/05/17	no	no	no	no	no
<b>EnergyAustralia</b>	Flexi Saver	13/07/17	no	22% off usage	\$12	12 months	no
<b>Mojo Power</b>	Standard Energy Pass	14/07/17	no	no	\$12	no	no
<b>Momentum Energy</b>	SmilePower	1/07/17	no	no	no	12 months	\$99
<b>Origin Energy</b>	Saver	1/07/17	no	13% off usage	\$12	12 months	no
<b>Powerdirect</b>	Market offer Standard	1/07/17	no	22% off usage	\$12.73	24 months	no
<b>Powershop</b>	Saver	1/07/17	4% off bill	14% off bill	no	no	no
<b>Red Energy</b>	Living Energy Saver	19/07/17	no	10% off bill	no	no	no
<b>Simply Energy</b>	Simply Plus	5/07/17	no	15% off usage	no	24 months	\$143
<b>Sanctuary Energy</b>	Market offer	1/07/17	no	no	\$25	36 months	no

<sup>23</sup> Momentum, for example, has a direct debit discount where customers receive a 2% discount off the market offer electricity rates (their Smile Power Plus product). This discount is not included in the bill calculations presented in this report.

### 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 \$600 - \$730 per annum if switching to the best published market offer.<sup>24</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 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>25</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.

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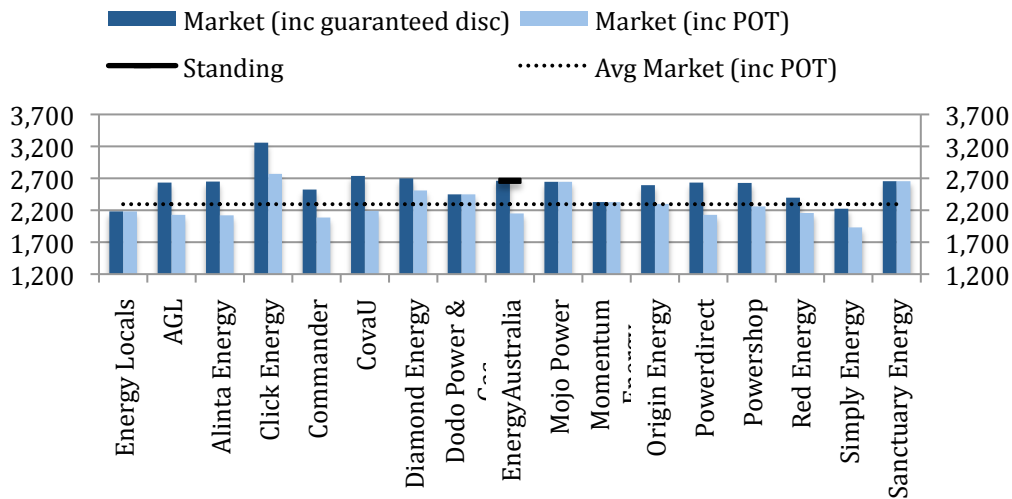
<sup>24</sup> Based on market offer bills that include discounts and pay on time discounts.

<sup>25</sup> These market offers were collected in mid-July 2017 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 4.

**Ausgrid**

In Ausgrid’s area, average consumption households on Energy Australia’s standing offer can save \$730 per annum if switching to the best published market offer. Simply Energy is the retailer that currently offers the best market offer rates in this area.

**Chart 7** Ausgrid’s network area: Estimated annual bills (incl GST) for electricity standing and market offers July 2017, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)




















**Retail offers in Ausgrid's area**

The difference between the best and the worst market offer is also significant. Simply’s offer is approximately \$840 less than Click Energy’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 as well their current ranking compared to their offers one year ago (in brackets).<sup>26</sup>

<sup>26</sup> These market offers were collected in mid-July 2017 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.

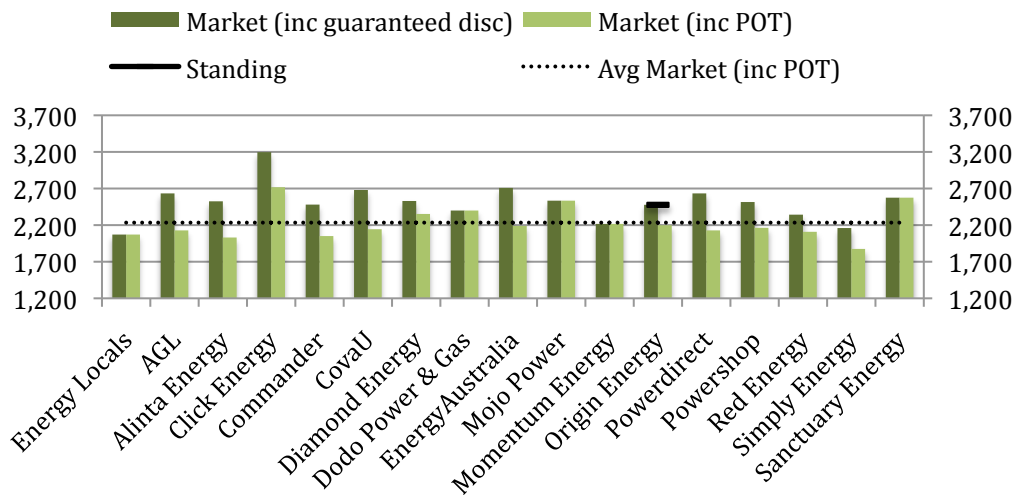
**Figure 1** Ausgrid’s network area: Lowest to highest annual bills (incl GST) for market offers July 2017, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

	1. Simply Energy	\$1,931 (8)
	2. Commander	\$2,086 (2)
	3. Alinta	\$2,121 (3)
	4. AGL	\$2,128 (10)
	5. Powerdirect	\$2,128 (9)
	6. Energy Australia	\$2,150 (5)
	7. Red Energy	\$2,157 (4)
	8. Energy Locals	\$2,182 (-)
	9. Covau	\$2,190 (13)
	10. Powershop	\$2,260 (6)
	11. Origin Energy	\$2,299 (11)
	12. Momentum	\$2,328 (14)
	13. Dodo	\$2,449 (1)
	14. Diamond	\$2,510 (17)
	15. Mojo	\$2,645 (15)
	16. Sanctuary Energy	\$2,655 (-)
	17. Click Energy	\$2,769 (12)

#### Endeavour

In Endeavour’s network area, average consumption households on Origin’s standing offer can save approximately \$600 per annum if switching to the best published market offer. Again, Simply is the retailer with the best market offer rates.



**Chart 8** Endeavour’s network area: Estimated annual bills (incl GST) for electricity standing and market offers July 2017, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)



### Retail offers in Endeavour's area

The difference between the best and the worst market offer is similar to that in Ausgrid's network area. Simply's offer is approximately \$845 less than Click'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 area as well their current ranking compared to their offers one year ago (in brackets).<sup>27</sup>

**Figure 2** Endeavour's network area: Lowest to highest annual bills (incl GST) for market offers July 2017, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

	1. Simply Energy	\$1,875 (8)
	2. Alinta	\$2,031 (2)

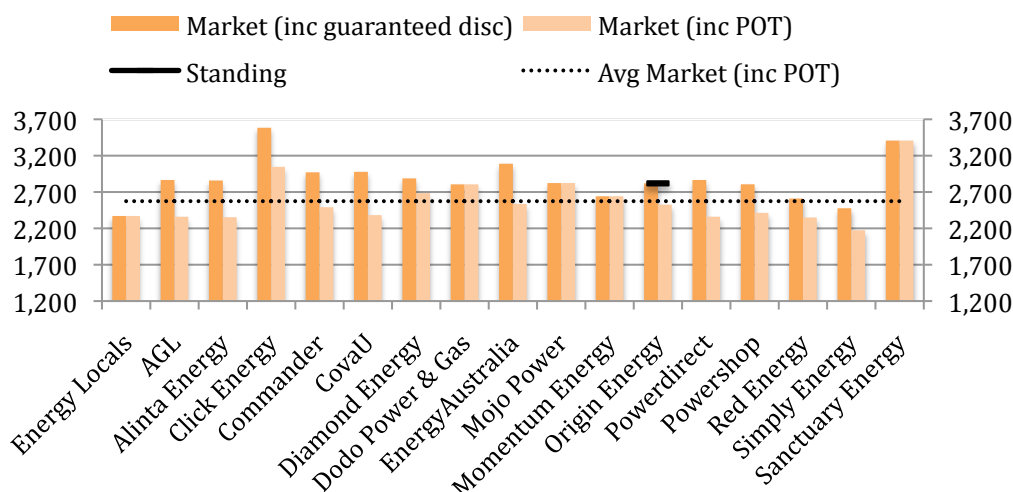
<sup>27</sup> These market offers were collected in mid-July 2017 and it should be noted that retailers may change their rates at any time. Additional discounts for customers choosing to pay by direct debit are not included in these bill calculations.

	3. Commander	\$2,050 (4)
	4. Energy Locals	\$2,071 (-)
	5. Red Energy	\$2,109 (5)
	6. AGL	\$2,128 (11)
	7. Powerdirect	\$2,128 (6)
	8. Covau	\$2,144 (12)
	9. Powershop	\$2,163 (3)
	10. Energy Australia	\$2,189 (9)
	11. Origin Energy	\$2,199 (10)
	12. Momentum	\$2,217 (13)
	13. Diamond	\$2,353 (17)
	14. Dodo	\$2,399 (1)
	15. Mojo	\$2,534 (14)
	16. Sanctuary Energy	\$2,575 (-)
	17. Click Energy	\$2,717 (16)

### Essential

In Essential's network area, average consumption households on Origin's standing offer can save approximately \$645 per annum if switching to the best published market offer. Simply is the retailer with the best market offer rates in this network area.

**Chart 9** Essential's network area: Estimated annual bills (incl GST) for electricity standing and market offers July 2017, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)





**Retail offers in Essential's area**

As in other network areas, the difference between the best and the worst market offer is significant. Simply’s offer is approximately \$1,230 less per annum than Click’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>28</sup>

**Figure 3** Essential’s network area: Lowest to highest annual bills (incl GST) for market offers July 2017, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

	1. Simply Energy	\$2,174 (6)
	2. Red Energy	\$2,349 (4)
	3. Alinta	\$2,353 (1)

<sup>28</sup> These market offers were collected in mid-July 2017 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.

	4. AGL	\$2,360 (16)
	5. Powerdirect	\$2,360 (10)
	6. Energy Locals	\$2,370 (-)
	7. Covau	\$2,382 (15)
	8. Powershop	\$2,413 (3)
	9. Commander	\$2,491 (9)
	10. Origin Energy	\$2,526 (7)
	11. Energy Australia	\$2,537 (13)
	12. Momentum	\$2,641 (5)
	13. Diamond	\$2,685 (17)
	14. Dodo	\$2,805 (2)
	15. Mojo	\$2,823 (8)
	16. Click Energy	\$3,046 (14)
	17. Sanctuary Energy	\$3,407 (-)

### 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>29</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

<sup>29</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)



time. Dodo, Mojo and Momentum are the only retailers that do not differentiate between bills being paid on time or paid late.<sup>30</sup>

Covau offers the highest pay on time discount (20% on the entire bill) of all the retailers and the difference to the annual bill gets as high as \$656 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>31</sup>

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

	Essential	Ausgrid	Endeavour
CovaU	656	607	596
EnergyAustralia	601	559	567
Click Energy	586	537	528
AGL	556	556	556
Powerdirect	556	556	556
Alinta Energy	505	529	494
Commander	480	438	430
Powershop	393	368	352
Origin Energy	341	342	327
Simply Energy	302	292	285
Diamond Energy	262	249	237
Red Energy	261	240	234
Sanctuary Energy	100	100	100
Energy Locals	52	52	52
Mojo Energy	48	48	48
Dodo Power & Gas	0	0	0
Momentum Energy	0	0	0

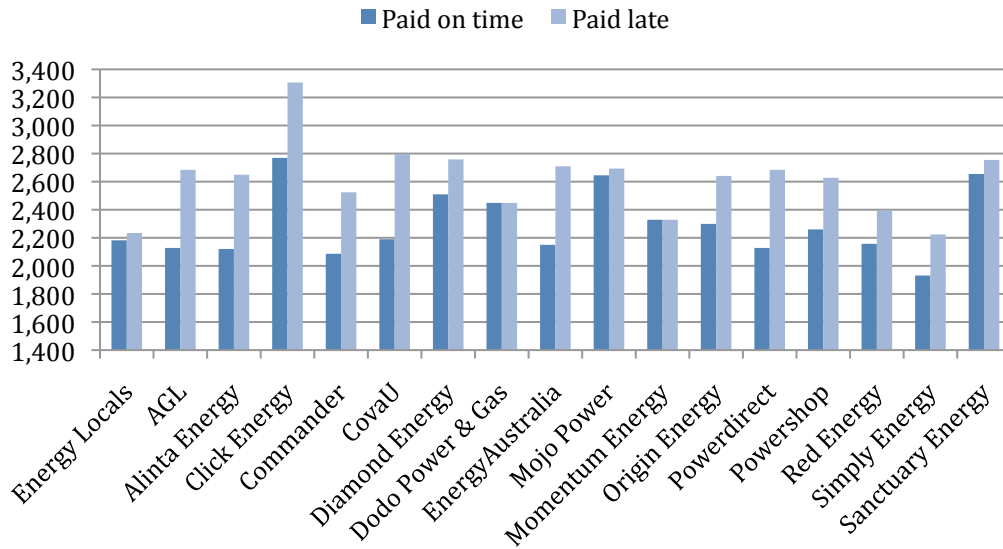
Charts 10 – 12 below show annual bills for customers that pay bills on time and customers that pay late in each of the three network areas.<sup>32</sup>

**Chart 10** Ausgrid's network area: Estimated annual bills (incl GST) for electricity market offers (as of July 2017) paid late vs. paid on time - Households consuming 7,200kWh per annum (single rate)

<sup>30</sup> However, both Dodo and Momentum offer discounts conditional direct debit payments and these discounts are not included in this analysis.

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

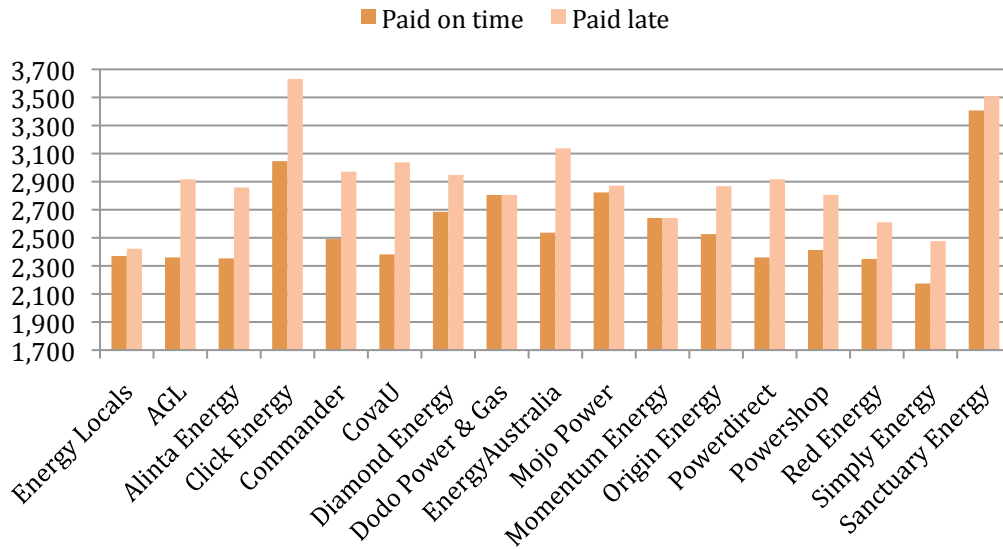
<sup>32</sup> If the retailer charges a late payment fee, four late payment fees have been included in the annual 'late bill' calculation.



**Chart 11** Endeavour's network area: Estimated annual bills (incl GST) for electricity market offers (as of July 2017) 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 2017) paid late vs. paid on time - Households consuming 7,200kWh per annum (single rate)



## 2.2 Gas market offers July 2017

There are relatively few gas market offers available in NSW and the Sydney area (Jemena/AGL gas zone) is the only area that has more than two offers (most non-

metropolitan areas only have the regulated offer). As such, this analysis only comprises regulated vs. market offers in the greater Sydney area.

- The difference between the best and the worst gas market offer is \$125 per annum. The difference between *stand-alone* gas market offers, however, is only \$15. See chart 13 below.
- Typical consumption households (24,000 Mj) can save \$145 per annum if switching from AGL’s standard offer to the best market offer.<sup>33</sup> See chart 15 below.

**Chart 13** Price-spread for seven gas market offers in the Jemena pricing zone in July 2017 (incl GST), including discounts and pay on time discounts - Households consuming 24,000Mj per annum. The triangular markers are stand-alone gas offers and the squares are dual fuel offers.

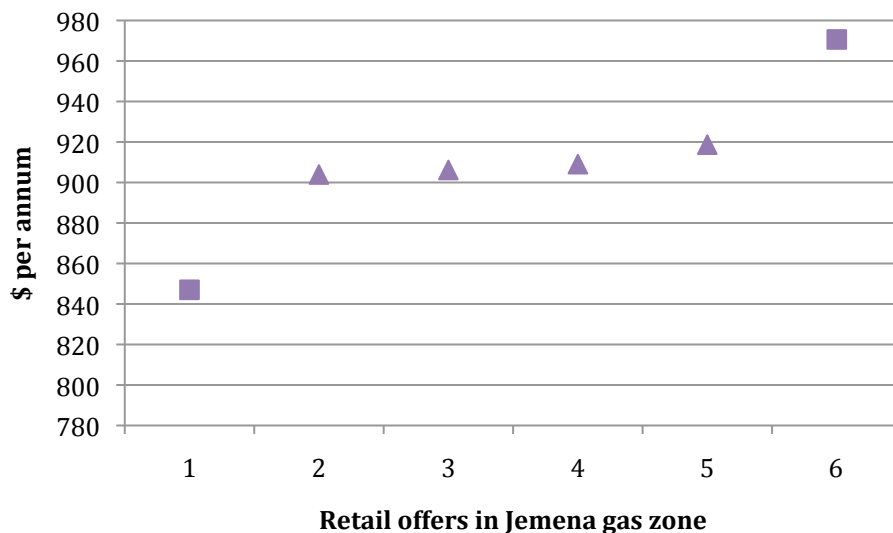
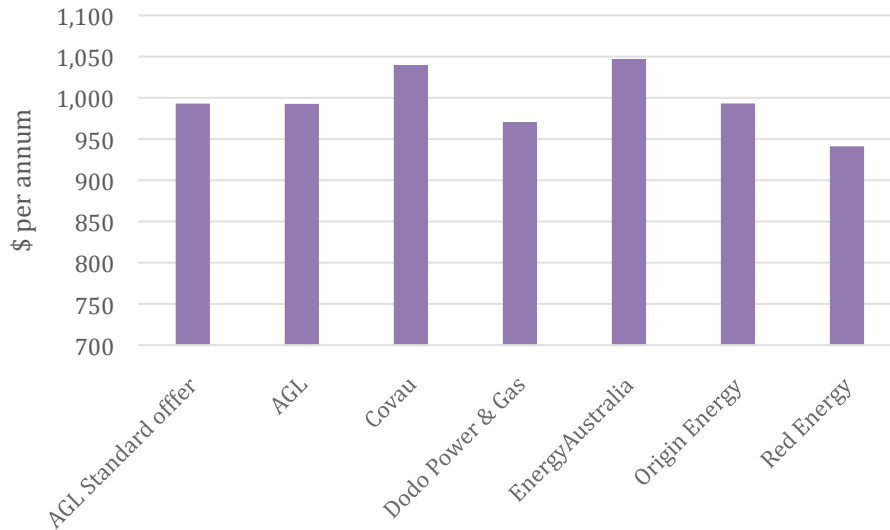


Chart 14 below shows that two retailers, Covau and energy Australia, have rates that are higher than AGL’s standard offer rates (prior to additional discounts).<sup>34</sup> Note that Red and Dodo’s market offers are only available to dual fuel customers (customers that sign up for both electricity and gas).

**Chart 14** Gas offers in Jemena/AGL zone as annual bills (excluding discounts), July 2017 (24,000Mj per annum, inc GST)

<sup>33</sup> Based on the regulated offer and the best of the published market offers (*including* pay on time discounts).

<sup>34</sup> These market offers were collected in mid-July 2017 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 6 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 6** Published gas market offers in Jemena/AGL gas zone as of July 2017: Key additional features and contract conditions

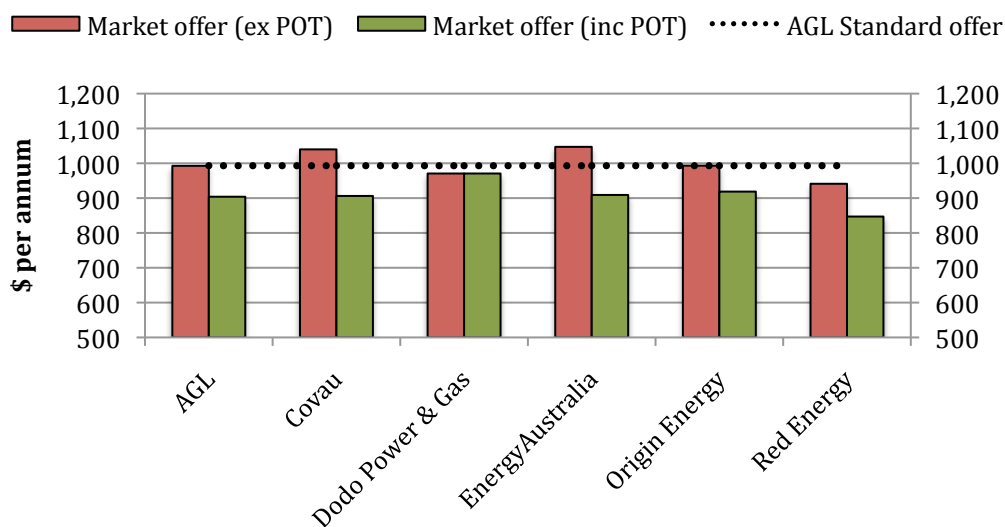
Retailer	Name	Effective from	Guaranteed discount	Pay on time discount	Late payment fee	Contract term/benefit period	Early termination fee
AGL	Savers	3/07/17	no	12% off usage	\$12.73	12 months	no
CovaU	Freedom	1/07/17	no	18% off bill	\$15	12 months	no
Dodo Power & Gas	Market offer	26/05/17	no	20% off usage	no	no	no
EnergyAustralia	Flexi Saver	13/07/17	no	17% off usage	\$12	12 months	no
Origin Energy	Saver	1/07/17	no	10% off usage	\$12	12 months	no
Red Energy	Easy Saver	19/07/17	no	10% off bill	no	no	no

### 2.2.1 Potential savings - Differences between gas offers

Chart 15 below shows annual retail bills for market offers compared to AGL’s standard 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>35</sup> The dotted line represents AGL’s standard offer rates that took effect in July 2017.

Customers switching from AGL’s standard offer to Red Energy’s market offer can potentially save \$145 on their annual gas bill (including pay on time discounts). However, as Red’s offers is only available in conjunction with electricity, potential customers should carefully examine their electricity offers. If customers on AGL’s standard offer switch to AGL’s market offer, they will save almost \$90 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.

**Chart 15** Gas offers in Jemena/AGL area: Estimated annual bill for market offers as of 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 as well as how they ranked compared to other retailers one year ago (in brackets). The difference between the best (AGL) and the worst (Origin) market offers is currently only \$15 per annum.

**Figure 4** Jemena/AGL gas zone: Lowest to highest annual bills (incl GST) for stand-alone gas market offers in July 2017, including discounts and pay on time discounts - Households

<sup>35</sup> These market offers were collected from the retailers’ websites in mid-July 2017. Discounts (excluding GST) have been applied to consumption and/or total bill as per offers listed in table 6.

consuming 24,000Mj per annum<sup>36</sup>

	1. AGL	\$904 (3)
	2. Covau	\$906 (4)
	3. Energy Australia	\$909 (1)
	4. Origin Energy	\$919 (2)

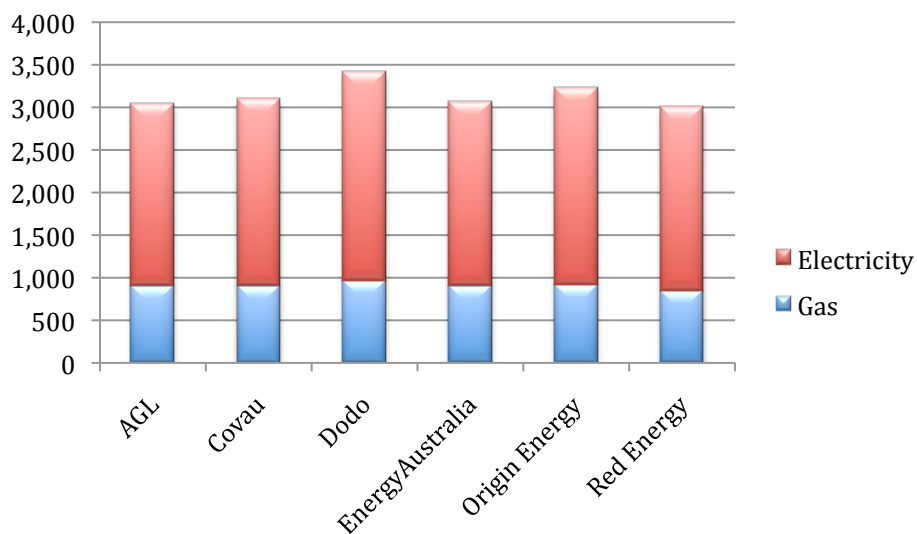
### 2.3 Dual fuel offers July 2017<sup>37</sup>

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 Red Energy currently offers the best value dual fuel product for typical consumption households in this area. Dodo's offer is the most expensive (\$415 more than Red's).







**Chart 16** Ausgrid network and Jemena/AGL gas zone: Estimated annual bills (incl GST) for dual fuel offers in July 2017, including discounts and pay on time discounts - Households consuming 7,200kWh and 24,000Mj per annum<sup>38</sup>

<sup>36</sup> These bill estimates are based on rates published on the retailers' websites in mid-July 2017 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>37</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 in mid-July 2017 and it should be noted that retailers may change their rates at any time.



**Figure 5** Ausgrid network and Jemena/AGL gas zone: Lowest to highest annual bills (incl GST) for dual fuel market offers in July 2017, including discounts and pay on time discounts - Households consuming 7,200kWh and 24,000Mj per annum<sup>39</sup>

	1. Red Energy	\$3,004 (2)
	2. AGL	\$3,032 (4)
	3. Energy Australia	\$3,059 (3)
	4. Covau	\$3,096 (6)
	5. Origin Energy	\$3,218 (5)
	6. Dodo	\$3,420 (1)

### 3. Network charges

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

<sup>38</sup> Discounts (excluding GST) have been applied to consumption and/or total bill as per offers listed in the table 4 and 6.

<sup>39</sup> These bill estimates are based on rates published on the retailers' websites in mid-July 2017 and it must be noted that retailers may change their rates at any time.

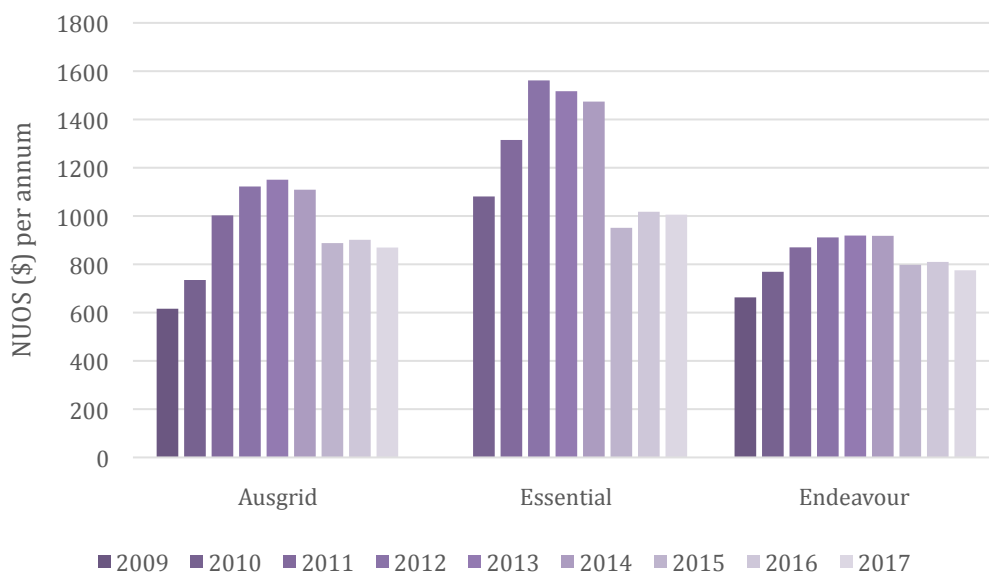


of System (TUOS) and Distribution Use of System (DUOS) as well as other costs such as jurisdictional charges and metering charges. The retailers can, and generally will, build changes to the NUOS (in relation to both shape and price) into their retail tariffs.

The charts presented in this section 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, the NUOS decreased somewhat in all network areas. See chart 17 below.

Network charges as proportion of total bill have also flattened out or decreased in recent years. From July 2017, the NUOS proportion of bills dropped substantially. The proportion is currently 33% in Ausgrid, 36% in Essential and 31% in Endeavour. See chart 18 below.

**Chart 17** NUOS charges as annual cost to residential consumers from 2009\* to 2017, all networks (based on single rate, 7,200kWh per annum, GST exclusive)<sup>40</sup>

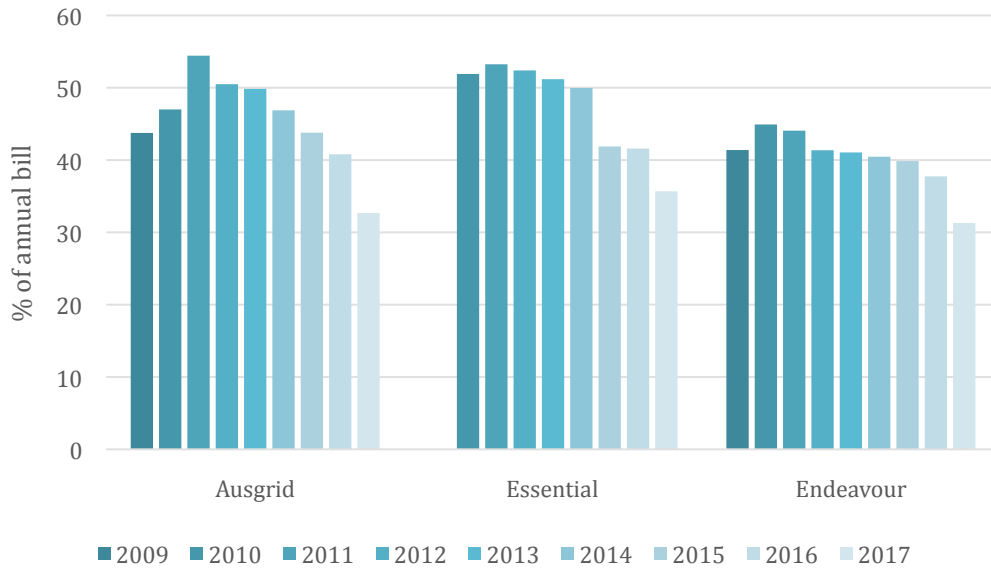


\*Essential’s area includes NUOS charges from 2010 to 2016 only.

**Chart 18** NUOS charges as proportion of annual bill from 2009\* to 2017, all networks. Based on regulated offer (2009-2013) and the incumbent retailers’ single rate standing offer (2014-2017), 7,200kWh per annum, incl. GST<sup>41</sup>

<sup>40</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>41</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



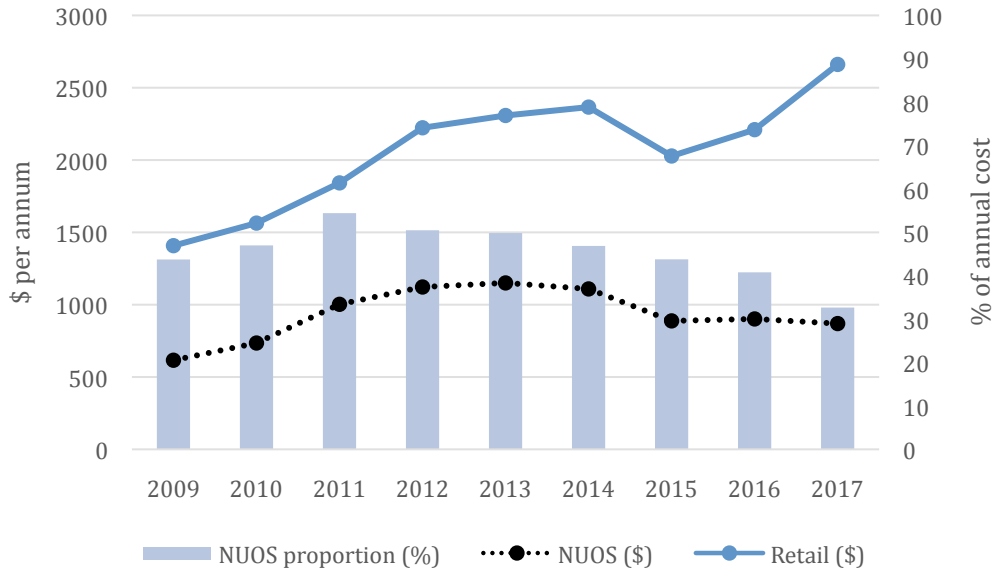
\*Essential's area includes NUOS charges from 2010 to 2016 only.

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.

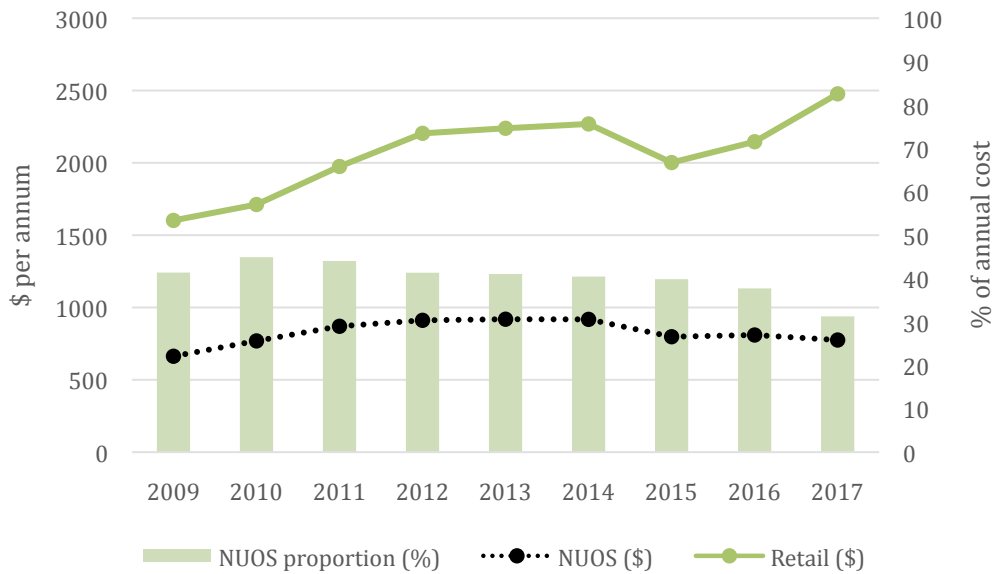
**Chart 19** Ausgrid: Retail bill per annum, NUOS charges and NUOS as proportion of total bill Based on regulated offer (2009-2013) and Energy Australia's single rate standing offer (2014 and 2017), 7,200kWh per annum, incl GST.

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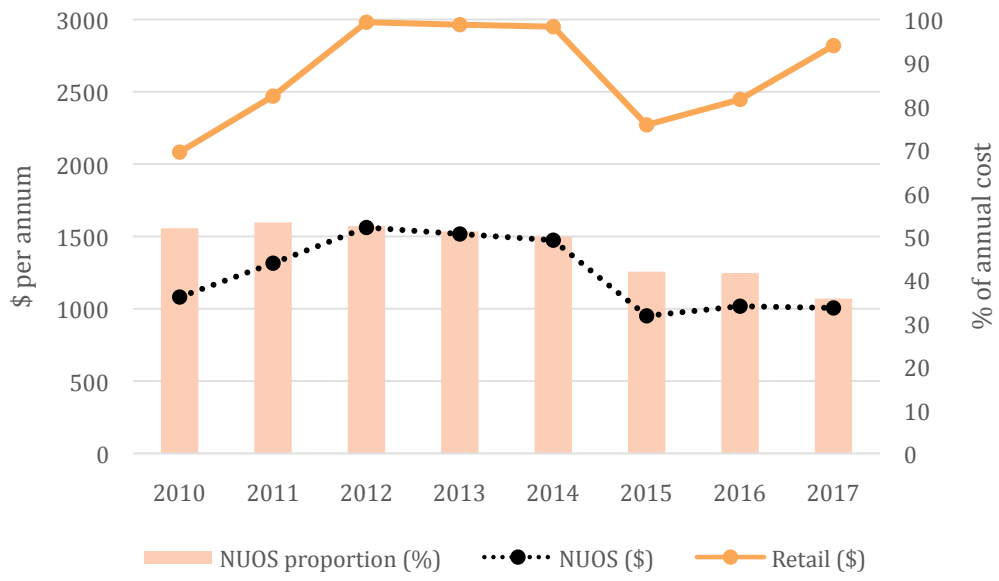
rate, incl. GST) across the three distribution areas. Post 2013 the retail bills are based on the incumbent retailers' (Origin and Energy Australia) standing offers.



**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 2017), 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 2017), 7,200kWh per annum, incl. GST



**4. Solar offers**

There are approximately 357,500 small scale solar systems in NSW.<sup>42</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 2017, IPART stated that a fair and reasonable benchmark range for solar electricity fed back into the grid is between 11.9 and 15 cents per kWh.<sup>43</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>44</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.

### **Methodology 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>45</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>46</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

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<sup>42</sup> Small scale is defined as systems up to 100 kW. Clean Energy Council, Clean Energy Australia Report 2016, 40

<sup>43</sup> IPART, Solar feed-in tariffs, Benchmark range 2017-18, Final report, June 2017

<sup>44</sup> See <http://www.resourcesandenergy.nsw.gov.au/energy-consumers/solar/solar-bonus-scheme/feed-in-tariffs-energy-consumption-and-consumer-rights>

<sup>45</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).

20Forecast%20PV%20Capacity%20&%20Tariff%20Payments.pdf

<sup>46</sup> Ibid

retail offer refers to daily or monthly thresholds). Daily fixed charges have been multiplied by 91 to calculate the quarterly amount.

**Table 7:** Retailers' FIT rates (July 2017)

<b>Retailer</b>	<b>Offer</b>	<b>FIT rate (c/kWh)</b>
<b>AGL</b>	Savers	11.1
<b>Click Energy</b>	Shine	17
<b>Commander</b>	Market offer	11.6
<b>CovaU</b>	Freedom	0
<b>Diamond Energy</b>	Pay on time discount	12
<b>Dodo Power &amp; Gas</b>	Market offer	11.6
<b>EnergyAustralia</b>	Flexi Saver	12.5
<b>Mojo Power</b>	Standard Energy Pass	10
<b>Momentum Energy</b>	SmilePower	7
<b>Origin Energy</b>	Solar Boost Plus	17
<b>Powerdirect</b>	Market offer	11.1
<b>Powershop</b>	Standard Saver	12.8
<b>Red Energy</b>	Living Energy Saver	11.1
<b>Simply Energy</b>	Simply Plus	6.5
<b>Energy Locals</b>	Market offer	11.7
<b>Alinta Energy</b>	Fair Deal	6.1

Chart 22 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 \$945 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 \$1,700.

Chart 22 also shows that Click, Diamond, Dodo, Mojo and Momentum's offers produce annual bills above the average for both 3 kW and 1.5 kW systems. Click's offer, which together with Origin, 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 \$710 per annum better off on Simply's offer compared to Dodo's offer, despite Simply'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 \$515 per annum if they switched from Mojo to Commander's offer.

**Chart 22** Annual bills including discounts and FIT credits for *Sydney/Ausgrid* customers with 3 kW and 1.5 kW solar systems. Electricity offers in July 2017 as annual bills, Single rate, 7,200kWh (GST inc).<sup>47</sup>

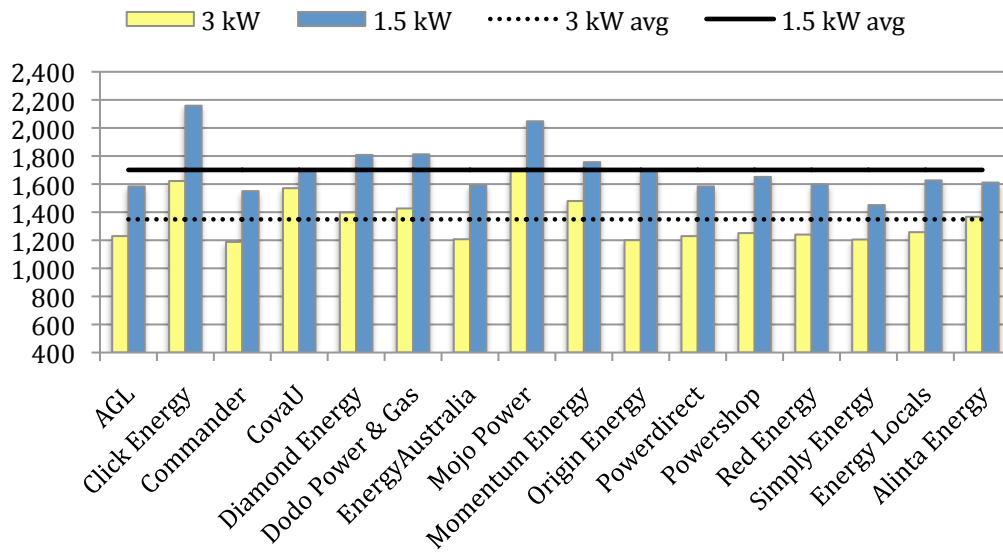
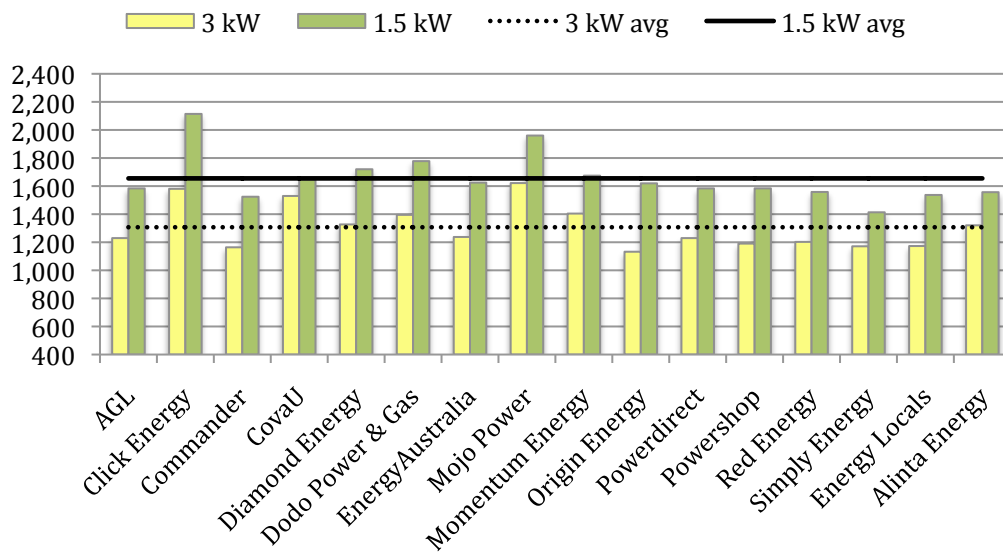


Chart 23 below shows annual bills for Sydney solar customers in the Endeavour network. It shows that for this consumption level, the average market offer bill for households in this area with a 3 kW system installed is \$1,310 and that is \$925 less than the average market offer bill for non-solar customers (see chart 8 in section 2.1.1 above). Households with a 1.5 kW system installed will have an annual bill of \$1,655.

<sup>47</sup> Calculations include discounts off usage or bill as well as pay on time discounts off usage or bill.

**Chart 23** Annual bills including discounts and FIT credits for *Sydney/Endeavour* customers with 3 kW and 1.5 kW solar systems. Electricity offers in July 2017 as annual bills, Single rate, 7,200kWh (GST inc).<sup>48</sup>

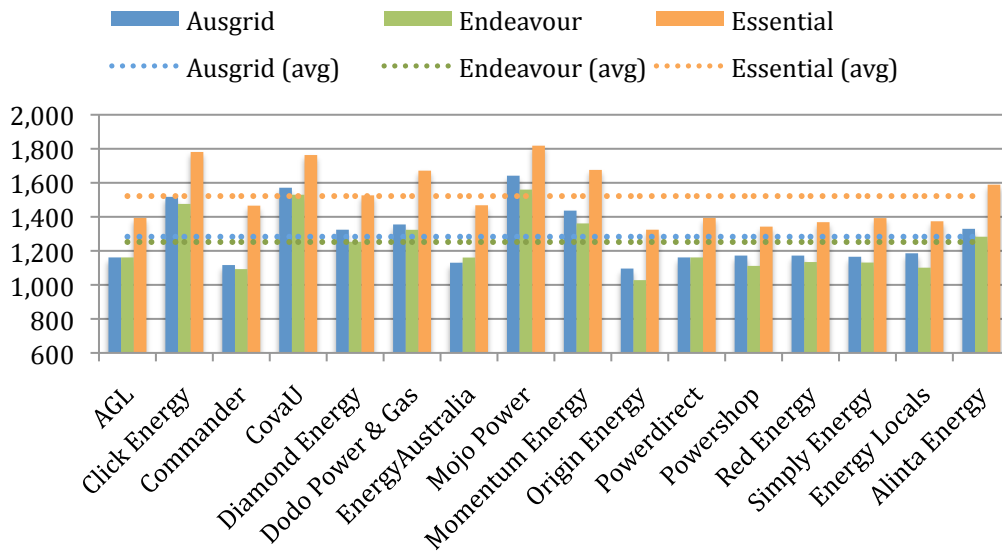


Homes outside Sydney’s metropolitan area will typically have less overshadowing and therefore a higher generation capacity and export rate. Chart 24 compares annual retail bills for non-metropolitan solar customers with 3 kW systems in the three network areas. It shows that the average annual bill for non-metropolitan solar customers with this consumption level is \$1,285 in Ausgrid, \$1,250 in Endeavour and \$1,520 in Essential. Compared to non-solar households, the average bill is \$1,010 less in Ausgrid, \$985 in Endeavour and \$1,055 less in Essential (see section 2.1.1 above for non-solar customers).

<sup>48</sup> Ibid.



**Chart 24** Annual bills including discounts and FIT credits for *non-metropolitan customers in Ausgrid, Endeavour and Essential with 3 kW solar systems. Electricity offers in July 2017 as annual bills, Single rate, 7,200kWh (GST inc).*<sup>49</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>50</sup> They also show the retailers’ ranking one year ago (in brackets).

<sup>49</sup> Ibid.

<sup>50</sup> These market offers were collected in mid-July 2017 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 in July 2017, 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



**Figure 7** Lowest to highest annual bills (incl GST) for solar market offers in July 2017, 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



	2. Commander	\$1,164 (3)
	3. Simply Energy	\$1,171 (6)
	4. Energy Locals	\$1,173 (-)
	5. Powershop	\$1,190 (2)
	6. Red Energy	\$1,202 (4)
	7. AGL	\$1,230 (9)
	8. Powerdirect	\$1,230 (7)
	9. Energy Australia	\$1,238 (11)
	10. Alinta Energy	\$1,321 (-)
	11. Diamond	\$1,327 (8)
	12. Dodo	\$1,395 (1)
	13. Momentum	\$1,404 (15)
	14. Covau	\$1,530 (14)
	15. Click Energy	\$1,581 (12)
	16. Mojo	\$1,622 (13)

**Figure 8** Lowest to highest annual bills (incl GST) for solar market offers in July 2017, 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

	1. Origin Energy	\$1,324 (7)
	2. Powershop	\$1,342 (1)
	3. Red Energy	\$1,368 (5)
	4. Energy Locals	\$1,374 (-)

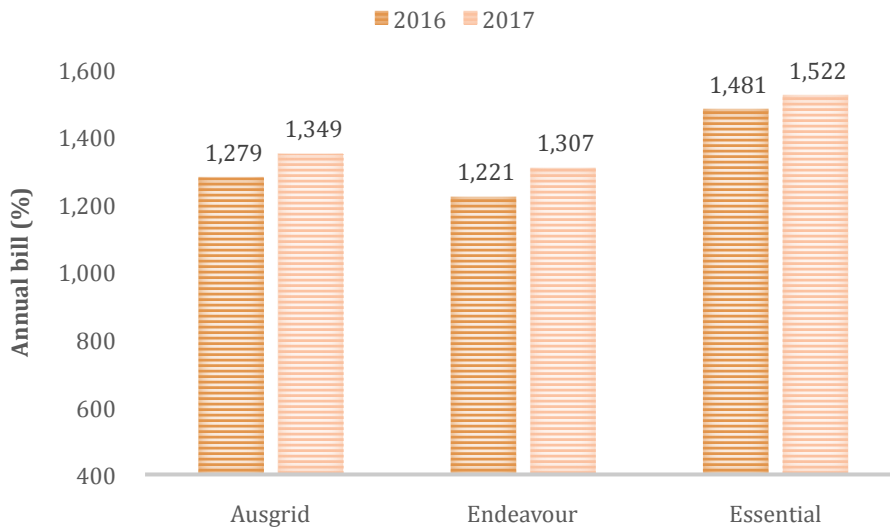
	5. Simply Energy	\$1,393 (4)
	6. AGL	\$1,393 (12)
	7. Powerdirect	\$1,393 (8)
	8. Commander	\$1,466 (6)
	9. Energy Australia	\$1,468 (11)
	10. Diamond	\$1,526 (9)
	11. Alinta Energy	\$1,589 (-)
	12. Dodo	\$1,671 (2)
	13. Momentum	\$1,676 (14)
	14. Covau	\$1,763 (15)
	15. Click Energy	\$1,781 (13)
	16. Mojo	\$1,818 (10)

Most retailers offer higher FIT rates compared to last year. The increase in the FIT rate reflects the higher energy costs retailers face on the wholesale market. As such, solar households will not receive as high bill increases as non-solar households will do after July 2017. A comparison of the average market offer bill for solar customers last year (as of September 2016) and now, shows that bill increases range from 3% to 7% (depending on network area) for solar households consuming 7,200 kWh per annum and with a 3 kW system installed. These price increases are significantly lower than the price increases non-solar households receive.

Chart 25 below compares average market offer bills for solar customers in 2016 to 2017. It shows that average market offer bills have increased by \$70 per annum in Ausgrid, approximately \$85 in Endeavour and \$40 in Essential.

**Chart 25** Average annual bills including discounts and FIT credits for *metropolitan customers in Ausgrid, Endeavour and non-metropolitan customers in Essential* with 3 kW solar systems as of September 2016 and July 2017. Electricity offers in July 2017 as annual bills, Single rate, 7,200kWh (GST inc).<sup>51</sup>

<sup>51</sup> Ibid.



**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>52</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**

<sup>52</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



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

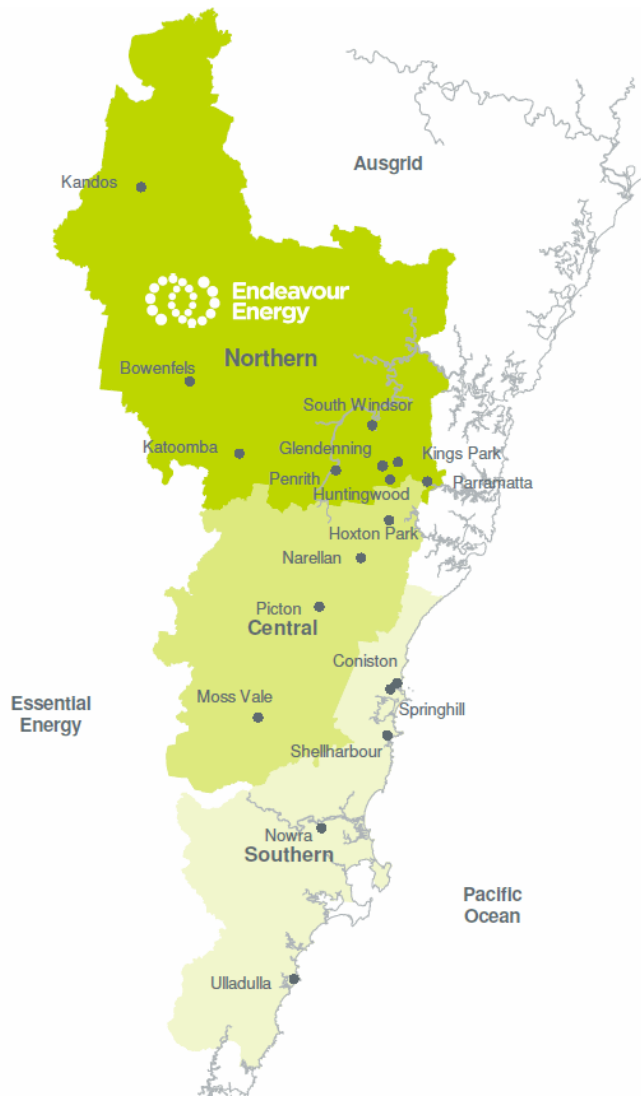
In this area, Energy Australia’s annual electricity standing offer bill is \$450 more in July 2017 compared to July 2016 (based on households consuming 7,200kWh/annum). Households in the Jemena/AGL gas zone have received an increase in gas prices of approximately \$80 over the same period.

- Dual fuel households with an average consumption of electricity and gas in inner and Eastern Sydney, Sydney’s North, Swansea and Newcastle will typically experience an increase in annual *energy* costs of \$530 from July 2017.<sup>53</sup>
- All-electric households in Sydney, Newcastle, Maitland, Singleton, Muswellbrook and the Upper Hunter will typically experience a increase in annual *electricity* costs of \$440 from July 2017.<sup>54</sup>

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

<sup>53</sup> These are households in Ausgrid’s electricity distribution network and Jemena/AGL’s gas zone.

<sup>54</sup> These are households on a two-rate (controlled load) tariff in Ausgrid’s electricity distribution network.



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

In this area, Origin's annual electricity standing offer bill is \$330 more in July 2017 compared to July 2016 (based on households consuming 7,200kWh/annum). Households in the Jemena/AGL gas zone have received an \$80 increase in gas prices over the same period.

- Dual fuel households with an average consumption of electricity and gas in Western Sydney, Wollongong, Blue Mountains and Lithgow will typically experience a increase in annual *energy* costs of \$410 from July 2017.<sup>55</sup>
- As gas prices have increased by \$135 in Nowra/Shoalhaven, dual fuel households in this area will typically experience an increase in annual *energy* costs of \$465 from July 2017.<sup>56</sup>

<sup>55</sup> These are households in Endeavour Energy's electricity distribution network and Jemena/AGL's gas zone.

- All-electric households in Western Sydney, Wollongong, Blue Mountains, Lithgow, Kandos, Moss Vale, Nowra and Ulladulla will also typically experience an increase in annual *electricity* costs of \$325 from July 2017.<sup>57</sup>

### 5.3 Rural and Regional NSW



Source: Country Energy, Annual Report 2009-10

In rural and regional NSW, the average annual electricity standing offer bill is \$370 more in July 2017 compared to July 2016 (based on households consuming 7,200kWh/annum). For all-electric households (8,000kWh, 30% controlled off peak) the average electricity standing offer has increased by \$385.

- Dual fuel households with an average consumption of electricity and gas in Bathurst, Orange, Dubbo and Parkes will typically experience an increase in annual *energy* costs of \$455 from July 2017.<sup>58</sup>
- Dual fuel households in Goulburn, Boorowa, Yass and will typically experience an increase in annual *energy* costs of \$490 from July 2017.<sup>59</sup>

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

<sup>57</sup> These are households on a two-rate (controlled load) tariff in Endeavour Energy's electricity distribution network.

<sup>58</sup> These are households in Essential Energy's electricity distribution network and Jemena/AGL's gas zone.



- Dual fuel households in Queanbeyan and Bungendore will typically experience an increase in annual *energy* costs of \$525 from July 2017.<sup>60</sup>
- Dual fuel households in Temora, Tumut, Holbrook, Henty, Cualcairn, Walla Walla, Cooma, Bombala, Wagga Wagga and Uranquity will typically experience an increase in annual *energy* costs of \$420 from July 2017.<sup>61</sup>
- As gas prices have remained stable in Tamworth, dual fuel households in this area will typically experience an increase in annual *energy* costs of \$415 from July 2017.<sup>62</sup>
- Dual fuel households in Albury and Jindera will typically experience an increase in annual *energy* costs of \$545 from July 2017.<sup>63</sup>
- Dual fuel households in Moama and other Murray Valley towns will typically experience an increase in annual *energy* costs of \$560 from July 2017.<sup>64</sup>

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<sup>59</sup> These are households in Essential Energy's electricity distribution network and ActewAGL's Goulburn gas zone.

<sup>60</sup> These are households in Endeavour Energy's electricity distribution network and ActewAGL's Queanbeyan gas zone.

<sup>61</sup> These are households in Essential Energy's electricity distribution network and Origin Energy's Temora, Cooma and Wagga Wagga gas zones.

<sup>62</sup> These are households in Essential Energy's electricity distribution network and Origin's Tamworth gas zone.

<sup>63</sup> These are households in Essential Energy's electricity network and Origin's Albury gas zone.

<sup>64</sup> These are households in Essential Energy's electricity network and Origin's Murray Valley gas zone.