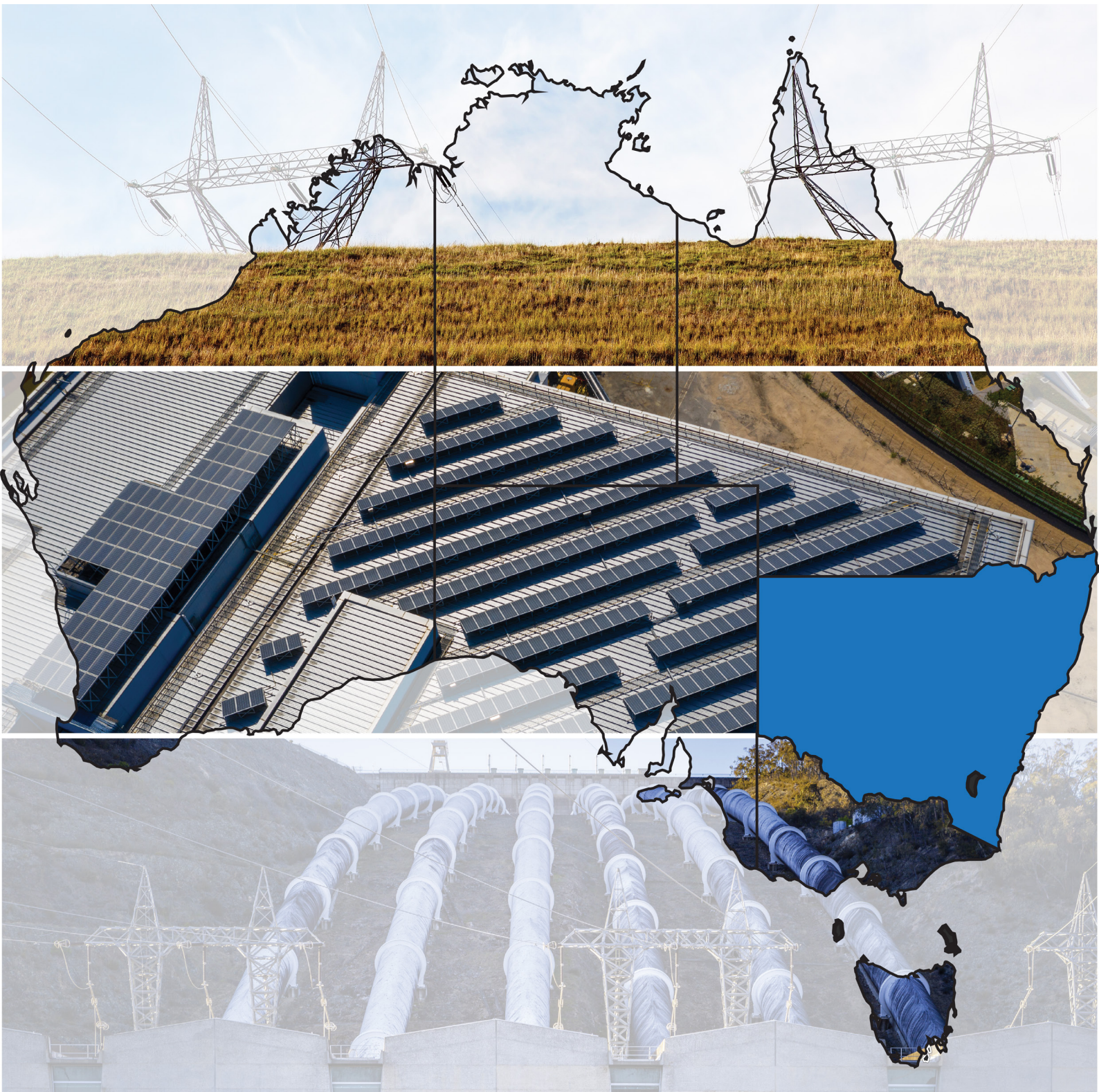




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New South Wales Energy Prices July 2019

An update report on the NSW Tariff-Tracking Project



New South Wales Energy Prices July 2019
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May Mauseth Johnston, August 2019
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 Alviss 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) 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 2019, and developed a spreadsheet-based tool that allows consumer advocates to build on the initial analysis and continue to track changes as they occur.¹ The first report for the NSW Tariff-Tracking project was published in August 2011 and this is the eight up-date report focusing on price changes that have occurred over the last year. A more 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 2019

Workbook 2: Regulated gas offers July 2009 – July 2019

Workbook 3: Electricity market offers July 2011 – July 2019²

Workbook 4: Gas market offers July 2011 – July 2019

Workbook 5: Solar market offers July 2016 – July 2019

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

¹ The regulated electricity offers workbook also contains the 2008 rates

² 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

In October 2018 the Australian Treasurer and the Minister for Energy requested the Australian Energy Regulator (AER) to develop a Default Market Offer (DMO) for each electricity network area in NSW, South Australia and South East Queensland.³ This request was in response to recommendations outlined in the Australian Competition and Consumer Commission's (ACCC) Retail Electricity Pricing Inquiry. The regulated DMOs took effect on 1 July 2019 and have replaced the retailer determined standing offers previously available in these networks.

In terms of general trends, the NSW tariff analysis found that:

- ▲ The DMO price is lower than most of the standing offers that the incumbent retailers (Energy Australia and Origin) offered in 2018/19.⁴ See charts 1 and 2 in section 1 below.
- ▲ The maximum price spread (the difference between the best and the worst DMO) is highest in Ausgrid at \$530. In Endeavour the price spread is \$500 and in Essential it is \$465. The maximum price spread between DMOs/standing offers is significantly lower than last year when the difference was over \$1,000 in all network areas. See chart 5 in section 1 below.
- ▲ Gas prices increased significantly in Sydney (AGL/Jemena) post July 2019 where an annual bill will be \$70 (7%) more per annum compared to last year.⁵ In all other gas zones the price increases have been moderate (2% to 4%) except for the Queanbeyan gas zone which has received slight price decreases (-1%).⁶ See chart 8 in section 1.
- ▲ Typical consumption households (7,200kWh) can save \$430 - \$535 per annum (depending on their network area) if switching from the incumbent retailer's standing offer to the best market offer.⁷ See section 2.1.
- ▲ The average electricity market offer (including guaranteed and pay on time discounts) produces an annual bill of \$2,515 in the Essential Energy network, \$2,220 in Ausgrid and \$2,175 in Endeavour.⁸ See section 2.1.
- ▲ In July 2019, the average market offer for households consuming 7,200 kWh per annum decreased by -0.5% in Ausgrid, increased by 1.5% in Essential and remained unchanged in Endeavour.⁹ 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 \$605 (in Endeavour's area) to \$725 (in Ausgrid's area) for customers with typical consumption levels.¹⁰ See section 2.1.
- ▲ Typical consumption gas customers in Jemena's Sydney price zone can potentially save \$250 on their annual gas bill (including pay on time discounts) by switching from AGL's

3 See <https://www.aer.gov.au/system/files/Letter%20to%20the%20AER%20Chair%20-%20default%20pricing.pdf>

4 Based on the incumbent retailers' standing offers as of July 2018 and the DMO for each network area. This bill comparison is based on the consumption levels used for setting the DMO price.

5 Based on households consuming 24,000Mj per annum

6 These bill calculations are based on the incumbent retailers' published standard offer as of July 2018 and July 2019.

7 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).

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

9 Ibid. Post July 2019 offers compared to post July 2018 offers.

10 Households using 7,200kWh per annum (single rate), market offers include pay on time discounts.

standard offer to Amaysim's market offer.¹¹ See section 2.2.

- ▲ Compared to electricity offers, the difference between the best and the worst gas market offers is very small. The difference between the best (Amaysim) and the worst (Simply) market offers is \$160 per annum. See section 2.2.
- ▲ 14 out of 16 retailers that changed their market offers between July 2018 and July 2019 in the Ausgrid network, reduced their base rates. In terms of bills inclusive of pay on time discounts, however, 9 out of 16 retailers have offers that produce higher bills post July 2019. This means that while base rates have mostly decreased, customers that have been receiving high discounts in return for paying their bills on time, may experience a bill increase post July 2019. See chart 18 in section 3.
- ▲ Since the introduction of the DMO, many electricity retailers have moved away from pay on time discounts to offer guaranteed discount or no discount at all. Consequently, the difference between the average bill (across all retailers) paid late versus on time is now low (approximately \$110 per annum). See section 3.
- ▲ Retailers that still offer significant pay on time discounts are CovaU, Diamond Energy, Red Energy, 1st Energy and Powershop.¹² CovaU, for example, offers a 25% discount off the entire bill if customers pay on time and this discount, combined with a late payment fee of \$15, means that a late paying customer can be around \$840 worse off per annum in the Essential network.¹³ See section 3.
- ▲ 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 30% in Ausgrid, 38% in Essential and 31% in Endeavour's network area.¹⁴ See section 4.
- ▲ The average annual bill for new solar customers (using 7,200 kWh/annum) with 3kW systems installed is around \$910 to \$1,030 less compared to non-solar customers. See section 5.
- ▲ 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 \$555 per annum if they are on Powerclub's offer instead of Mojo's. As Mojo offers a much higher feed in tariff (FIT) of 20 cents compared to Powerclub's 10 cents, this highlights the importance of solar customers not choosing retail offers based on FIT rates alone. See section 5.
- ▲ The annual energy cost for dual fuel households with typical consumption levels has remained unchanged in some areas and decreased by between \$30 and \$145 in other areas.¹⁵ See section 6.
- ▲ Dual fuel households in Sydney will experience the greatest decreases to energy costs in the state. See section 6.¹⁶

11 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).

12 Note that Powershop's discount is not a traditional pay on time discount but customers are required to purchase special offers in advance, by a set date, in order to qualify for the discounts.

13 Based on households using 7,200 kWh per annum, single rate and inclusive of GST.

14 Network charges as proportion of incumbents' standing offer bills.

15 Based on incumbent retailers' electricity standing offers (7,200kWh per annum, single rate) and standard gas offers (24,000Mj per annum) as of July 2018 and 2019.

16 Customers in Ausgrid electricity network and Jemena/Sydney gas zone.

1. ENERGY PRICE CHANGES FROM JULY 2018 TO JULY 2019¹⁷

On 1 July 2019, the Australian Energy Regulator’s (AER) new Default Market Offer (DMO) took effect in NSW. The DMOs replace the previously retailer-set standing offers. Importantly, the AER’s DMO is expressed as an annual bill for a set consumption level and retailers are still able to “translate the annual amount into different tariff structures”.¹⁸ The Regulations stipulate that retailers must structure their prices to not exceed the annual DMO price for that consumption level.¹⁹

The DMO prices for single rate and controlled load tariffs in NSW as well as AER’s estimated median saving for customers on set consumption levels are listed in table 1 below.²⁰ There are no DMO prices for other tariff types (i.e. Time of Use, Demand tariffs) as the Regulations are designed to apply to the most common tariffs only.²¹

TABLE 1 | Residential DMO prices in NSW for 2019-20 (including GST)

	Ausgrid	Endeavour Energy	Essential Energy
SINGLE / FLAT RATE			
Annual bill	\$1,467	\$1,720	\$1,957
Median saving*	\$129	\$175	\$181
Consumption level	3,900 kWh/annum	4,900 kWh/annum	4,600 kWh/annum
CONTROLLED LOAD^			
Annual bill	\$2,059	\$2,166	\$2,375
Median saving*	\$200	\$236	\$231
Consumption level	6,800 kWh/annum	7,400 kWh/annum	6,600 kWh/annum

*Median saving is the difference between the median standing offer and the DMO price in that distribution zone, based on the model annual usage.

^Approximately 30% of the annual consumption is allocated to the controlled load tariff.

The DMO price is lower than most of the standing offers that the incumbent retailers (Energy Australia and Origin) offered in 2018/19. Charts 1 and 2 below show changes to annual bills from July 2018 to July 2019 for households on the incumbent retailers standing offers (single rate and controlled load) in the three network areas. These bill calculations are based on the consumption levels used by the AER to set the DMO (see table 1 above).

Chart 1 shows that the DMO in Ausgrid produces an annual bill that is approximately \$130 less (-8%) than Energy Australia’s standing offer for 2018/19. The DMOs in the Endeavour and Essential networks, produce annual bills that are \$70 and \$50 less than Origin’s standing offers for 2018/19. That is a reduction of -4% and -2%, respectively.

17 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.

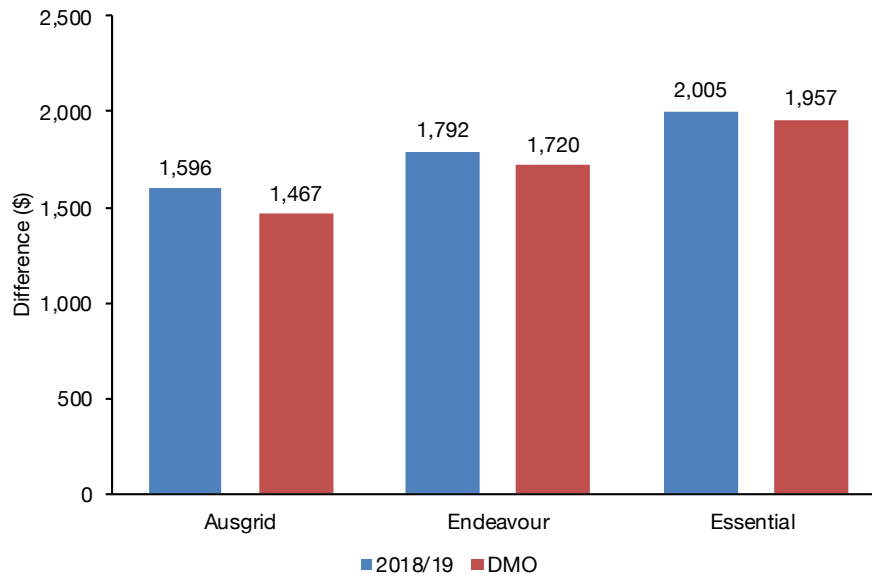
18 AER, Default Market Offer Prices 2019-20, Final Determination, April 2019, 9

19 Ibid., 9

20 Ibid., 8

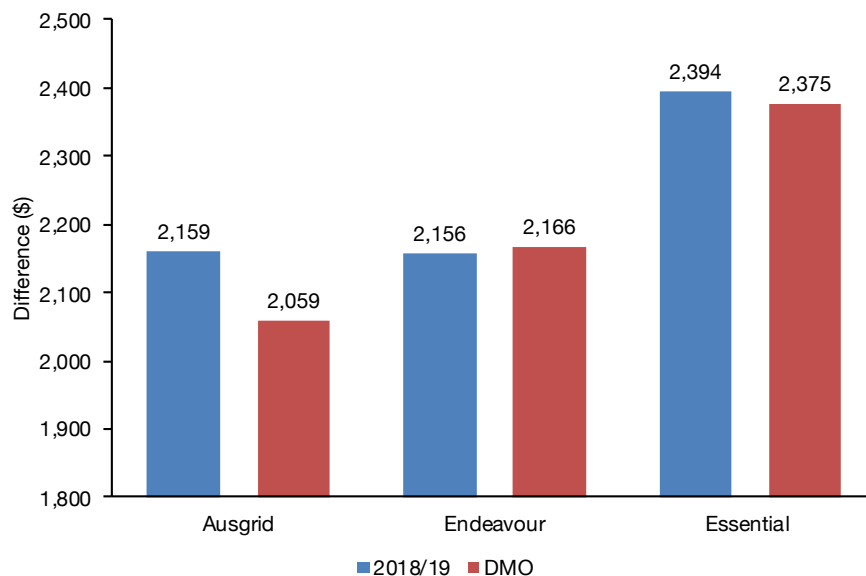
21 Ibid., 22

CHART 1 | Changes to the annual electricity bill from July 2018 to July 2019, incumbent retailers' standing offer in July 2018 and AER's DMO in July 2019. Single rate, incl. GST and based on 3,900kWh per annum in Ausgrid, 4,900kWh in Endeavour and 4,600kWh in Essential.



For controlled load tariffs, chart 2 shows that the DMO in Ausgrid produces an annual bill that is approximately \$100 less (-4.6%) than Energy Australia's standing offer for 2018/19. The DMOs in the Essential network, produces an annual bill that is \$20 (-0.8) less than Origin's standing offer for 2018/19. In Endeavour, on the other hand, the DMO produces an annual bill is \$10 more (0.5%) than Origin's standing offer for 2018/19.

CHART 2 | Changes to the annual electricity bill from July 2018 to July 2019, incumbent retailers' standing offer in July 2018 and AER's DMO in July 2019. Controlled load, incl. GST and based on 6,800kWh per annum in Ausgrid, 7,400kWh in Endeavour and 6,600kWh in Essential.



As the Tariff-Tracking project aims to monitor and assess changes to energy prices over time, the remaining analysis presented in this report will be based on the consumption levels previous Tariff-Tracking reports have used for NSW. That is 7,200 kWh per annum for single rate customers and 8,000 kWh per annum for households with controlled load.

Chart 3 shows changes to the host retailers' annual bills from July 2018 to July 2019 for

average consumption households (single rate) in the three network areas. It shows that Energy Australia's annual bill decreased by \$215 in the Ausgrid network while Origin's annual bills decreased by \$100 in Endeavour and \$70 in the Essential network.

CHART 3 | Changes to the annual electricity bill from July 2018 to July 2019, incumbent retailers' standing offer incl GST based on 7,200kWh per annum for single rate

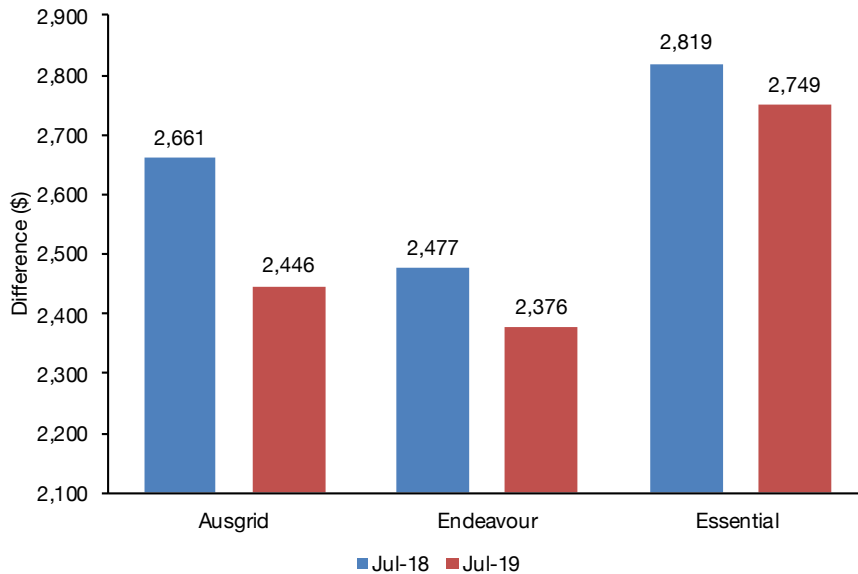


Chart 4 shows changes to the host retailers' annual bills from July 2018 to July 2019 for average consumption households with controlled load. It shows that Energy Australia's annual bill in the Ausgrid network and Origin's annual bill in Endeavour decreased by approximately \$190 while Origin's annual bill decreased by \$20 only in the Essential network.

CHART 4 | Changes to the annual electricity bill from July 2018 to July 2019, incumbent retailers' standing offer incl GST based on 8,000kWh per annum, thereof 30% controlled load

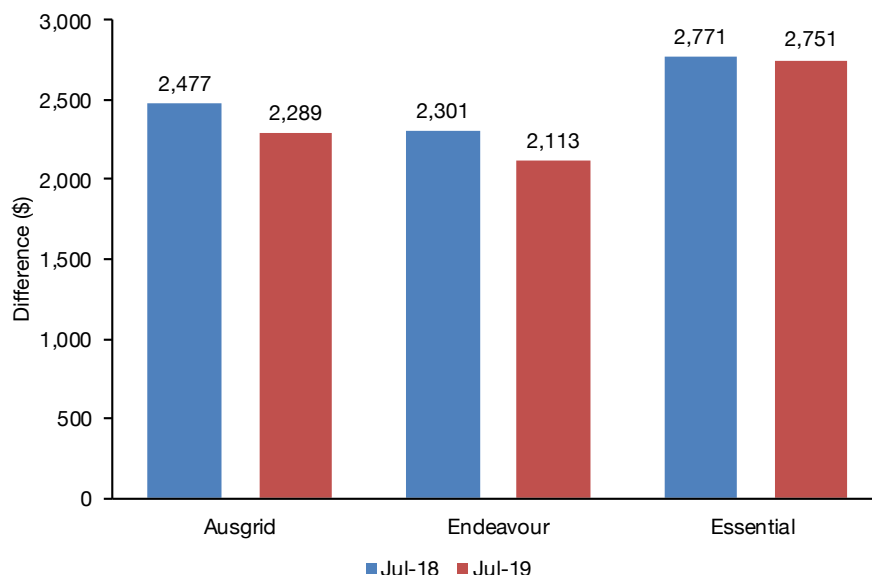
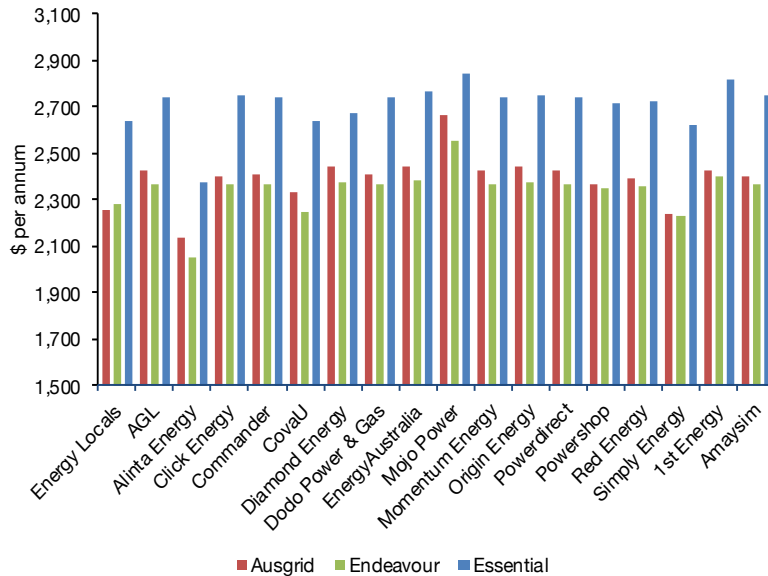


Chart 5 shows estimated annual bills for standing offer/DMO customers (single rate, 7,200kWh/annum) in each of the three network areas. The average standing offer is highest in Essential's area (approximately \$2,710) while Endeavour and Ausgrid's average standing offer are roughly \$2,340 and \$2,390 respectively. The maximum price spread (the difference between the best and the worst offer) is highest in Ausgrid at \$530. In Endeavour the price

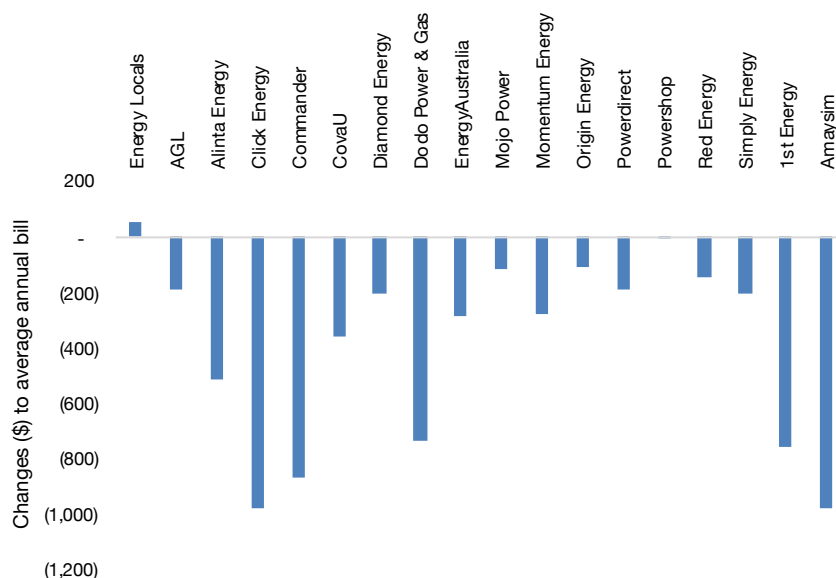
spread is \$500 and in Essential it is \$465. The maximum price spread between standing offers/DMOs is significantly lower than last year when the difference was over \$1,000 in all network areas.

CHART 5 | Electricity standing offers/DMOs as annual bills, July 2019, based on 7,200kWh per annum for single rate, incl GST.



On average, across all three network areas, most retailers have reduced their standing offer rates compared to last year.²² Chart 6 shows changes to average standing offer bills from July 2018 to July 2019. It shows that Energy Locals is the only retailer that has increased its average standing offer rates.

CHART 6 | Average (across three network areas) electricity standing offers/DMOs as annual bills, July 2018 and July 2019, based on 7,200kWh per annum for single rate, incl GST.



As mentioned above, there are no DMO prices for less common meter/tariff types such as time of use tariffs (TOU). Chart 7 below compares Energy Australia’s electricity standing offers/DMOs for single rate and TOU tariffs as of July 2018 and July 2019 in the Ausgrid network. It

²² New retailers enter the market and some retailers exit. As such this chart only includes retailers that had standing offer rates as of July 2018 as well as July 2019.

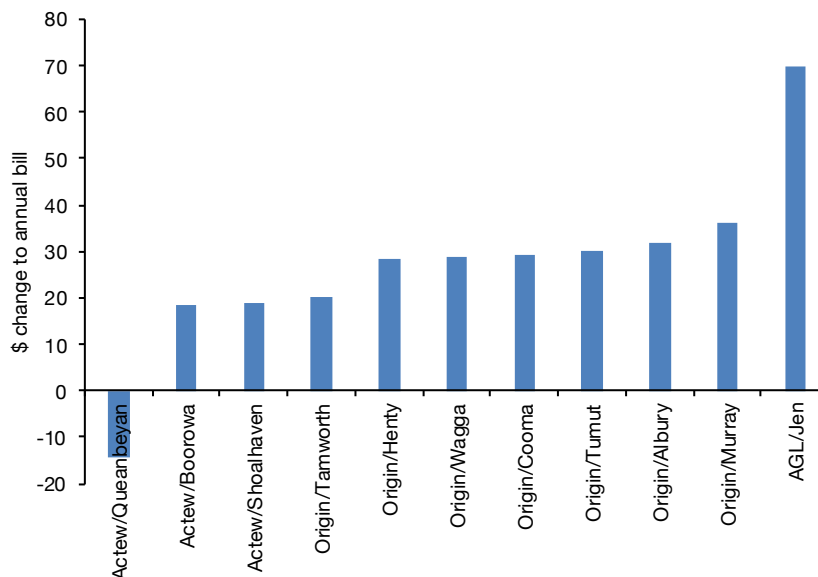
shows that the annual bill for the single rate (where the DMO applies) has notably decreased while the annual bill for the TOU (where there is no DMO) has remained the same.

CHART 7 | Energy Australia electricity standing offers/DMOs in Ausgrid network as annual bills, July 2018 and 2019, based on 7,200kWh per annum (20% peak, 50% shoulder and 30% off-peak for TOU), incl GST.



Gas prices increased significantly in Sydney (AGL/Jemena) post July 2019 where an annual bill will be \$70 (7%) more per annum compared to last year.²³ In all other gas zones the price increases have been moderate (2% to 4%) except for the Queanbeyan gas zone which has received slight price decreases (-1%).²⁴

CHART 8 | Changes to the annual cost of gas from July 2018 to July 2019 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.

²³ Based on households consuming 24,000Mj per annum

²⁴ These bill calculations are based on the incumbent retailers’ published standard offer as of July 2018 and July 2019.

TABLE 2 | Gas supply areas in NSW

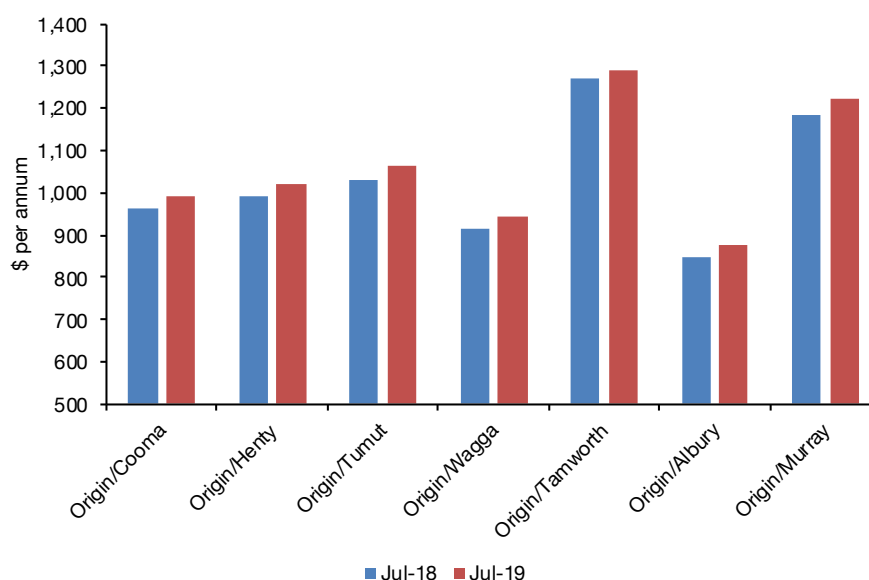
NSW Gas Zones and incumbent retailers	
Jemena Sydney (AGL)	Sydney, Newcastle, Wollongong, Blue Mountains
Jemena Regional (ActewAGL)	Boroowa, Goulburn, Yass and Young
Envestra (Origin)	Cooma and Bombala
	Temora*, Holbrook, Henty, Culcairn and Walla Walla
	Tumut and Gundagai
	Wagga Wagga and Uranquity
	Albury, Moama and Jindera
	Murray Valley Towns
Central ranges (Origin)	Tamworth
ActewAGL (ActewAGL)	Queanbeyan and Bundgondore
	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 9 and 10 below show annual gas bills for the regional gas zones based on the incumbent retailer’s standard offer as of July 2018 and July 2019.

CHART 9 | Estimated annual bills for regulated gas offers in Origin’s areas, July 2018 and July 2019 (24,000Mj per annum, inc GST)²⁵



²⁵ 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 10 | Estimated annual bills for regulated gas offers in ActewAGL’s areas, July 2018 and July 2019 (24,000Mj per annum, inc GST)²⁶

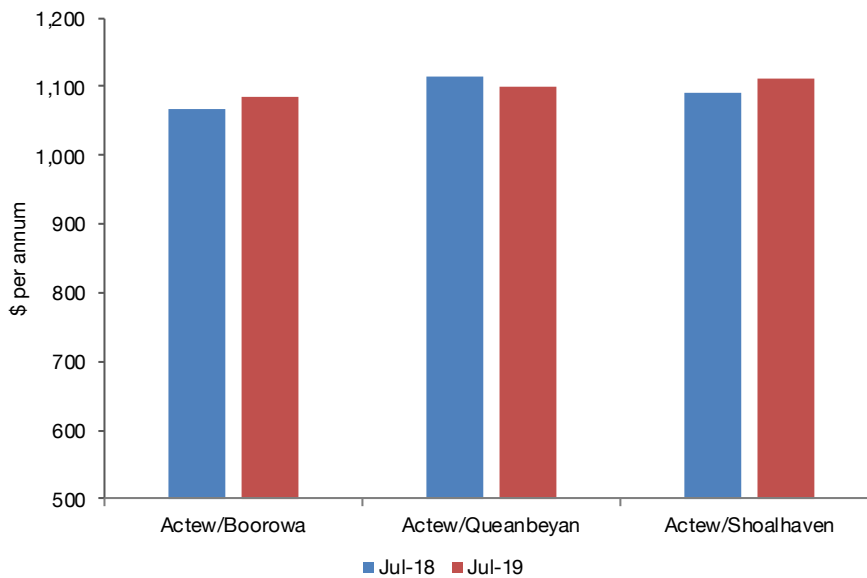


Table 3 below highlights the price trends for NSW gas offers. For more detailed information about the areas and differences in energy price changes see section 5.

TABLE 3 | Changes to gas prices by area July 2018 – July 2019²⁷

Area	Changes to annual bill since July 2018	Percentage
Sydney, Newcastle, Wollongong, Blue Mountains (AGL)	\$70	7%
Cooma and Bombala (Origin)	\$30	3%
Temora, Holbrook, Henty, Culcairn and Walla (Origin)	\$30	3%
Tumut and Gundagai (Origin)	\$30	3%
Wagga Wagga and Uranquity (Origin)	\$30	3%
Tamworth (Origin)	\$20	2%
Boroowa, Goulburn, Yass and Young (ActewAGL)	\$20	2%
Queanbeyan and Bungendore (ActewAGL)	-\$15	-1%
Shoalhaven (ActewAGL)	\$20	2%
Albury, Moama and Jindera (Origin)	\$30	4%
Murray Valley Towns (Origin)	\$35	3%

²⁶ Note: The Boorowa zone includes Goulburn, Yass and Young. The Queanbeyan zone includes Bungendore

²⁷ Based on the regulated gas rates for customers using 24,000Mj per annum.

2. MARKET OFFERS POST JULY 2019

2.1 Electricity market offers post July 2019

- ▲ The average electricity market offer (including guaranteed and pay on time discounts) produces an annual bill of \$2,515 in the Essential Energy network, \$2,220 in Ausgrid and \$2,175 in Endeavour.²⁸
- ▲ In July 2019, the average market offer for households consuming 7,200 kWh per annum decreased by -0.5% in Ausgrid, increased by 1.5% in Essential and remained unchanged in Endeavour.²⁹
- ▲ Typical consumption households (7,200kWh) can save \$430 - \$535 per annum (depending on their network area) if switching from the incumbent retailer's standing offer to the best market offer.³⁰ The maximum saving is somewhat lower compared to last year when it was \$550 - \$700.
- ▲ The difference between the best and the worst market offer ranges from \$605 (in Endeavour's area) to \$725 (in Ausgrid's area) for customers with typical consumption levels.³¹ Chart 11 below shows the retail market offer price-spread within each of the three network areas. This difference is also less compared to last year when it was \$850 - \$1,040.

CHART 11 | Price-spread for electricity market offers in each network area as of July 2019 (incl GST), including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

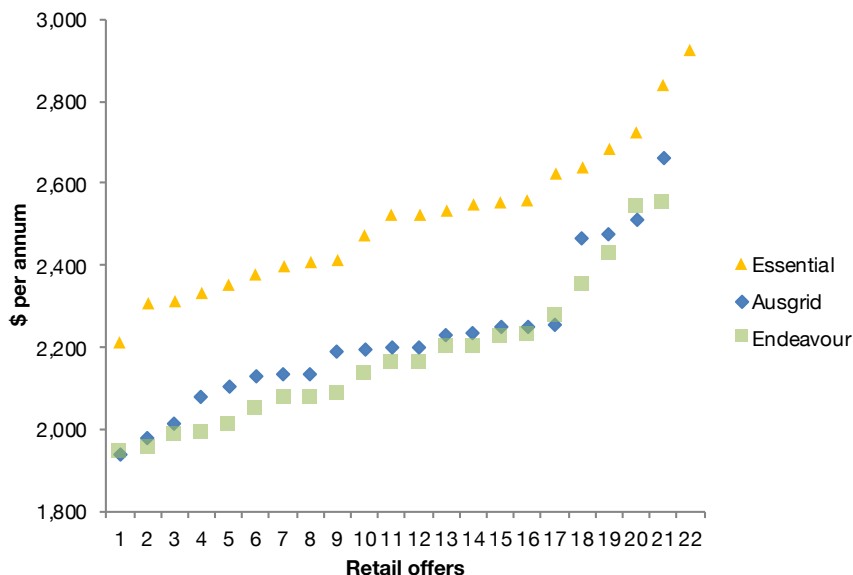


Table 4 below shows additional discounts applicable to the electricity retailers' published market offer rates. Table 4 also shows other contract terms and features, such as early termination fees, associated with these market offers. Some of the retailers have multiple market offers and may offer higher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

²⁸ Based on the average market offer (all retailers) for each network area, single rate and inclusive of pay on time discounts.

²⁹ Ibid. Post July 2019 offers compared to post July 2018 offers.

³⁰ 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).

³¹ Households using 7,200kWh per annum (single rate) and all market offer bills include additional discounts and/or pay on time discounts.

greater, however, they are tied to other conditions such as payment by direct debit.

In previous years all retailers have applied discounts to supply and/or usage charges excluding GST. This year, however, Origin clearly states that their discounts are applied to amounts including GST. Red Energy and Powershop's statements are somewhat ambiguous, but we have interpreted these to mean that they also apply discounts to GST inclusive amounts. All other retailers apply discounts to amounts exclusive of GST. There are also a couple of retailers (e.g. DC Power Co, Energy Locals and Powerclub) that have offers that include a membership fee. When analysing offers that include a membership fee, we have added this amount to the fixed supply charge.

TABLE 4 | Published electricity market offers as of July 2019: 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
Energy Locals	Super Saver	2/07/19	no	no	\$16	no	no
AGL	Smart Saver	3/07/19	7% off bill	no	\$12.73	12 months	no
Alinta Energy	No Fuss	1/07/19	no	no	no	no	no
Click Energy	Banksia	4/07/19	no	no	\$12	no	no
Commander	Market offer	1/07/19	no	no	no	no	no
CovaU	Freedom	1/07/19	no	25% off bill	\$15	no	no
Diamond Energy	Pay on time discount	1/07/18	no	7% off bill	\$15	no	no
Dodo Power & Gas	Market offer	1/07/19	no	no	no	no	no
EnergyAustralia	Total Plan	11/07/19	13% off bill	no	\$12	12 months	no
Mojo Power	Connect	20/09/18	no	no	\$12	no	no
Momentum Energy	SmilePower Flexi	16/07/19	no	no	no	no	no
Origin Energy	Flexi	17/07/19	10% off bill	no	\$12	12 months	no
Powerdirect	Discount Saver	3/07/19	12% off bill	no	\$12.73	24 months	no
Powershop [^]	Shopper with Mega Pack	1/07/19	no	15% off bill	no	no	no
Red Energy	Living Energy Saver	1/07/19	no	10% off bill	no	no	no
Simply Energy	Simply Plus	1/07/19	no	No	no	no	no
1st Energy	1st Saver	17/06/19	no	7% off bill	no	no	no
Amaysim	Electricity as you go	4/07/19	no	no	\$12	no	no
ReAmped Energy	Market Offer	4/03/19	no	no	\$12	no	no
Powerclub	Market Offer	30/06/19	no	no	no	no	no
DC Power Co	Powerbank Home	1/07/19	no	no	no	no	no
Enova Energy*	Community Plus	1/07/19	no	3% off usage	no	no	no

[^] Requires customer to purchase energy in advance in order to receive discount

* Operates in the Essential network only

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 \$430 - \$535 per annum if switching to the best published market offer.³² 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

³² Based on market offer bills that include discounts and pay on time discounts.

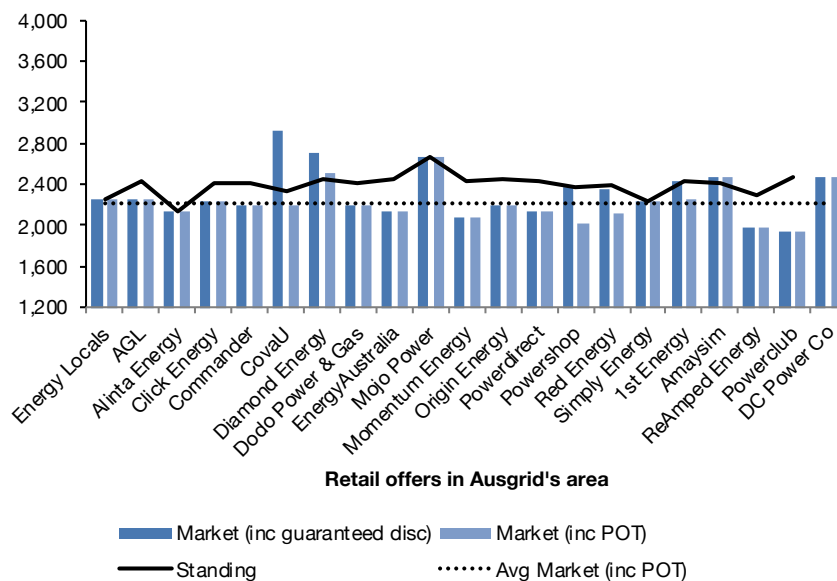
with the same retailer, but change to a market offer, are unlikely to experience annual savings as large as these. Furthermore, we stress that the majority of these discounts are conditional on bills being paid on time and households with cash-flow issues thus may find themselves unable to achieve the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

Charts 12-14 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.³³ The dotted lines show the average market offer (including pay on time discounts) in each network area and the 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 \$505 per annum if switching to the best published market offer. Powerclub is the retailer that currently offers the best market offer rates in this area.

CHART 12 | Ausgrid's network area: Estimated annual bills (incl GST) for electricity standing and market offers July 2019, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)³⁴
























The difference between the best and the worst market offer is also significant. Powerclub's offer is approximately \$725 less than Mojo Power'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.³⁵

³³ These market offers were collected between the 1st and the 16th of July 2019 and it should be noted that retailers may change their rates at any time. Discounts have been applied to consumption and/or total bill as per offers listed in table 4.

³⁴ Note that DC Power Co does not have a published standing offer

³⁵ These market offers were collected between the 1st and the 16th of July 2019 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.

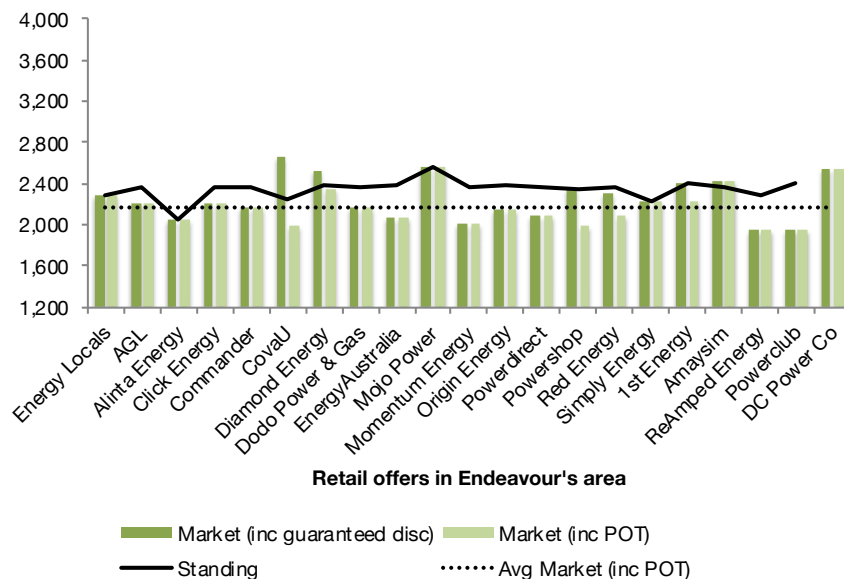
FIGURE 1 | Ausgrid’s network area: Lowest to highest annual bills (incl GST) for market offers July 2019, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

	Powerclub	\$1,941		Dodo Power & Gas	\$2,201
	ReAmped Energy	\$1,979		Click Energy	\$2,233
	Powershop	\$2,013		Simply Energy	\$2,237
	Momentum Energy	\$2,078		1st Energy	\$2,252
	Red Energy	\$2,108		Energy Locals	\$2,252
	Energy Australia	\$2,128		AGL	\$2,257
	Alinta Energy	\$2,135		DC Power Co	\$2,468
	Powerdirect	\$2,136		Amaysim	\$2,477
	CovaU	\$2,190		Diamond Energy	\$2,510
	Origin Energy	\$2,196		Mojo Power	\$2,664
	Commander	\$2,201			

Endeavour

In Endeavour’s network area, average consumption households on Origin’s standing offer can save approximately \$430 per annum if switching to the best published market offer. ReAmped Energy is the retailer with the best market offer rates.






















CHART 13 | Endeavour’s network area: Estimated annual bills (incl GST) for electricity standing and market offers July 2019, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)³⁶



³⁶ Note that DC Power Co does not have a published standing offer

The difference between the best and the worst market offer is less than in Ausgrid's network area. ReAmped Energy's offer is approximately \$605 less than Mojo Power'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.³⁷

FIGURE 2 | Endeavour's network area: Lowest to highest annual bills (incl GST) for market offers July 2019, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

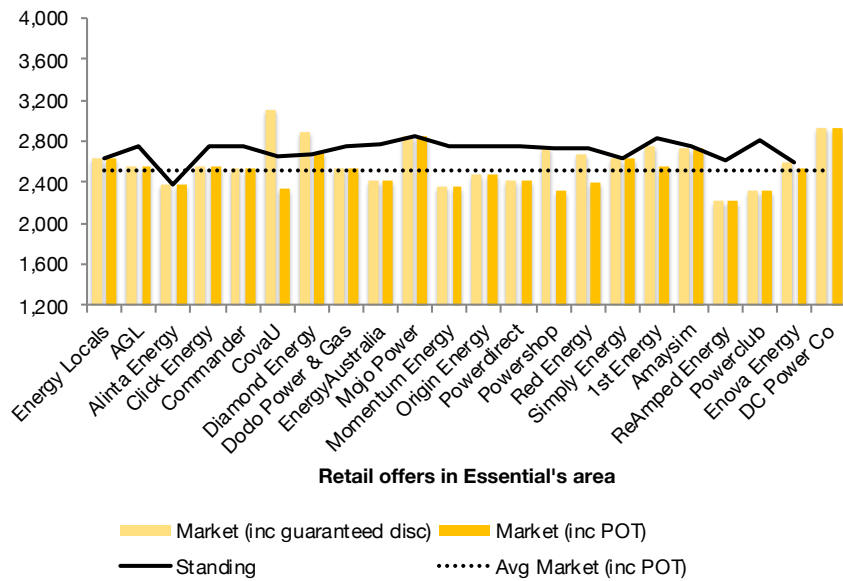
	ReAmped Energy	\$1,946		Dodo Power & Gas	\$2,165
	Powerclub	\$1,957		Click Energy	\$2,202
	CovaU	\$1,988		AGL	\$2,205
	Powershop	\$1,994		1st Energy	\$2,228
	Momentum Energy	\$2,013		Simply Energy	\$2,233
	Alinta Energy	\$2,051		Energy Locals	\$2,279
	Energy Australia	\$2,075		Diamond Energy	\$2,353
	Red Energy	\$2,078		Amaysim	\$2,431
	Powerdirect	\$2,086		DC Power Co	\$2,546
	Origin Energy	\$2,138		Mojo Power	\$2,552
	Commander	\$2,165			

Essential

In Essential's network area, average consumption households on Origin's standing offer can save approximately \$535 per annum if switching to the best published market offer. ReAmped Energy is again the retailer with the best market offer rates in this network area.






















³⁷ These market offers were collected between the 1st and the 16th of July 2019 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.

CHART 14 | Essential's network area: Estimated annual bills (incl GST) for electricity standing and market offers July 2019, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)³⁸



As in other network areas, the difference between the best and the worst market offer is significant. ReAmped Energy's offer is approximately \$715 less per annum than DC Power Co'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.³⁹

FIGURE 3 | Essential's network area: Lowest to highest annual bills (incl GST) for market offers July 2019, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

	Powerclub	\$1,941		Origin Energy	\$2,196		Amaysim	\$2,477
	ReAmped Energy	\$1,979		Commander	\$2,201		Diamond Energy	\$2,510
	Powershop	\$2,013		Dodo Power & Gas	\$2,201		Mojo Power	\$2,664
	Momentum Energy	\$2,078		Click Energy	\$2,233			
	Red Energy	\$2,108		Simply Energy	\$2,237			
	Energy Australia	\$2,128		1st Energy	\$2,252			
	Alinta Energy	\$2,135		Energy Locals	\$2,252			
	Powerdirect	\$2,136		AGL	\$2,257			
	CovaU	\$2,190		DC Power Co	\$2,468			

³⁸ Note that DC Power Co does not have a published standing offer

³⁹ These market offers were collected between the 1st and the 16th of July 2019 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.

2.2 Gas market offers post July 2019

There is a 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 \$160 per annum. See chart 15 below.
- ▲ Typical consumption households (24,000 Mj) can save \$250 per annum if switching from AGL's standing offer to the best market offer.⁴⁰ See chart 16 below.

CHART 15 | Price-spread for seven gas market offers in the Jemena pricing zone post July 2019 (incl GST), including discounts and pay on time discounts - Households consuming 24,000Mj per annum.

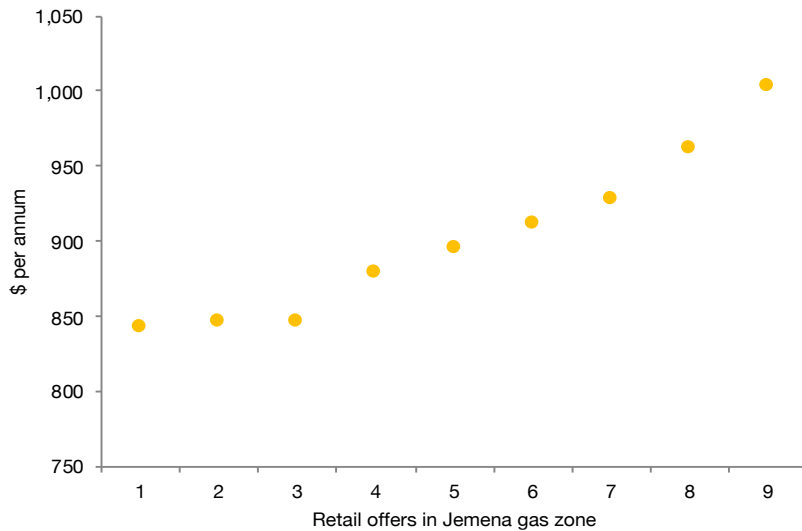
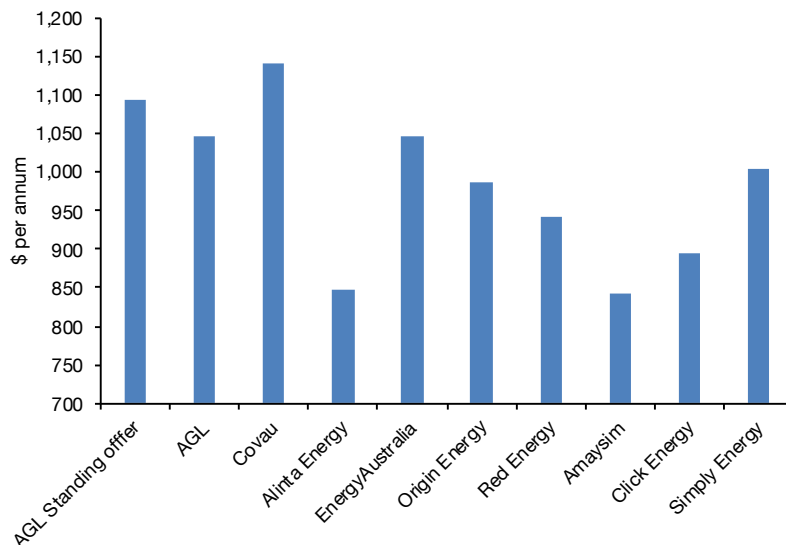


Chart 16 below shows that only one retailer, Covau, has rates that are higher than AGL's standing offer rates (prior to discounts).⁴¹

CHART 16 | Gas offers in Jemena/AGL zone as annual bills (excluding discounts), July 2019 (24,000Mj per annum, inc GST)



⁴⁰ Based on the regulated offer and the best of the published market offers (including pay on time discounts).

⁴¹ These market offers were collected between the 1st and the 16th of July 2019 and it should be noted that retailers may change their rates at any time.

The calculations for the market offers in chart 15 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 2019: 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	Smart Saver	3/07/19	8% off bill	no	\$12.73	12 months	no
CovaU	Freedom	1/07/19	no	20% off bill	\$15	no	no
Alinta Energy	No Fuss	1/07/19	no	no	no	no	no
EnergyAustralia	Total Plan	11/07/19	16% off bill	no	\$12	12 months	no
Origin Energy	Flexi	15/07/19	6% off bill	no	\$12	12 months	no
Red Energy	Easy Saver	1/07/19	no	10% off bill	no	no	no
Amaysim	Gas as you go	4/07/19	no	no	\$12	no	no
Click Energy	Banksia	1/07/19	no	no	\$12	no	no
Simply Energy	Plus	1/07/19	no	no	no	no	no

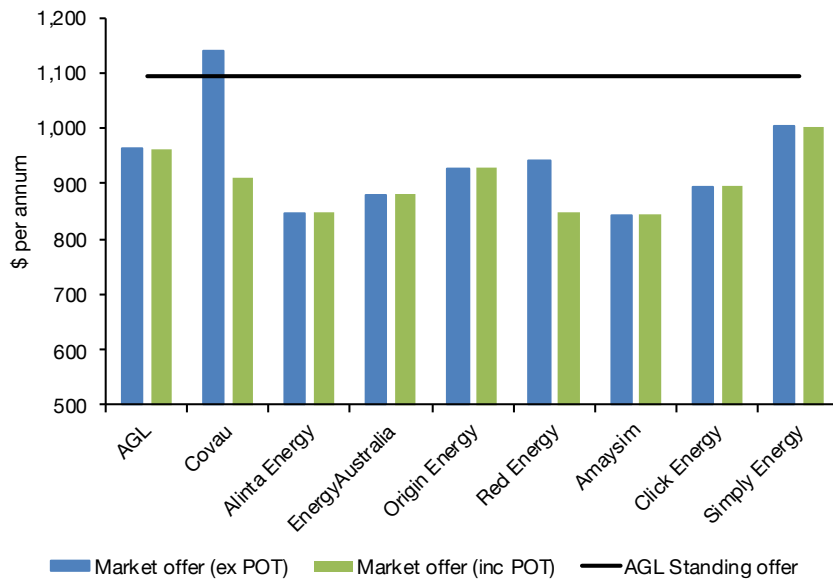
2.2.1 Potential savings - Differences between gas offers

Chart 17 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 blue 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.⁴² The line represents AGL's standing offer rates that took effect in July 2019.

Customers switching from AGL's standard offer to Amaysim's market offer can potentially save \$250 on their annual gas bill (including discounts). If customers on AGL's standard offer switch to AGL's market offer, they will save \$130 per annum (after discounts have been applied). All market offers, except Simply Energy's offer, produce lower bills than the standard offer when discounts are included.










⁴² These market offers were collected from the retailers' websites between the 1st and the 16th of July 2019. Discounts have been applied to consumption and/or total bill as per offers listed in table 5.

CHART 17 | Gas offers in Jemena/AGL area: Estimated annual bill for market offers post July 2019 (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 gas market offers quite small. Figure 4 below shows estimated annual bills for gas market offers post discounts in the Jemena/AGL gas zone. The difference between the best (Amaysim) and the worst (Simply) market offer is currently \$160 per annum.

FIGURE 4 | Jemena/AGL gas zone: Lowest to highest annual bills (incl GST) for gas market offers post July 2019, including discounts and pay on time discounts - Households consuming 24,000Mj per annum⁴³

	Amaysim	\$843
	Alinta Energy	\$847
	Red Energy	\$847
	Energy Australia	\$880
	Click Energy	\$895
	Covau	\$911
	Origin Energy	\$928
	AGL	\$962
	Simply Energy	\$1,003

⁴³ These bill estimates are based on rates published on the retailers' websites between the 1st and the 16th of July 2019 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.

3. THE DEFAULT MARKET OFFER (DMO) AND MARKET CHANGES

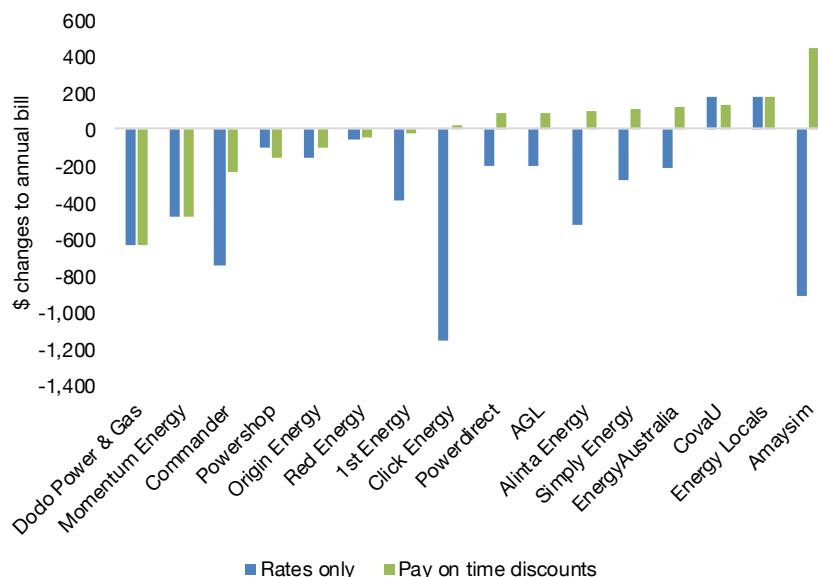
As discussed above (section 1), the DMO regulation stipulates that retailers must structure their prices to not exceed the annual DMO price for a set consumption level. In relation to other market offers, however, the retailers can set their own prices. In determining the DMO, the AER was conscious of not stifling competition and customer engagement in the market. The AER stated:

“We considered that this price achieved the key policy objectives of:” ... “*Not disincentivising competition and market participation by customers and retailers.* Our draft DMO price level was significantly higher than the lowest market offer in each distribution zone, meaning:

- Customers on a DMO would have a strong incentive to shop around and switch.
- There remained significant room for retailers to compete on price and discounts below the DMO price point.”⁴⁴

Chart 18 below shows that 14 out of 16 retailers that changed their offers between July 2018 and July 2019 in the Ausgrid network, reduced their base rates (blue columns).⁴⁵ CovaU and Energy Locals are the only two retailers that increased their base rates during this period. In terms of bills inclusive of pay on time discounts, however, 9 out of 16 retailers have offers that produce higher bills post July 2019 (green columns). This means that while base rates have mostly decreased, customers that have been receiving high discounts in return for paying their bills on time, may experience a bill increase post July 2019.

CHART 18 | Electricity market offers in Ausgrid network as annual bills, July 2018 and 2019, based on 7,200kWh per annum, single rate, incl GST.⁴⁶



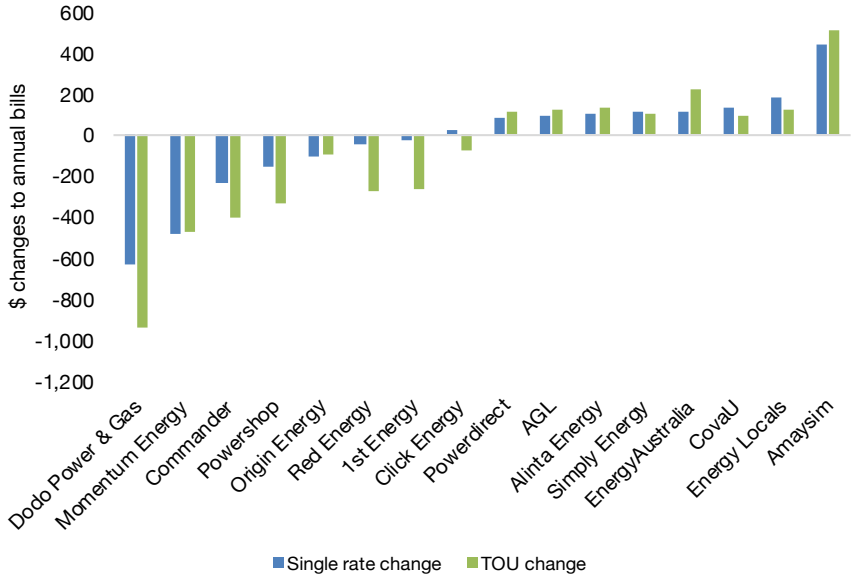
44 AER, Default Market Offer Prices 2019-20, Final Determination, April 2019, 30

45 Note that this chart only includes retailers that had published market offers in July 2018 as well as July 2019, and that changed their offers over this period.

46 As the majority of retailers have discontinued their 2018 offers and introduced new market offers, this analysis is based on market offers deemed best value as well as “standard” (e.g. no direct debit requirements, fixed prices etc.) in both July 2018 and July 2019. Where this has occurred, the offers used for this comparison (2018/2019) are: Energy Locals (Simple Saver/Super Saver), AGL (Savers/Smart Saver), Alinta (Fair Deal/No Fuss), Click (Agate/Banksia), Energy Australia (Anytime Saver/Total Plan), Momentum (SmilePower/ SmilePower Flexi), Powerdirect (Market offer/Discount Saver), Powershop (Power Saver/Shopper with Mega Pack), 1st Energy (Market offer/1st Saver) and Amaysim (Electricity 2/Electricity as you go).

As the DMO sets prices (articulated as annual bills) for single rate and controlled load tariffs only, NSW customers on other tariff types, such as TOU, will not experience any immediate and direct changes from the new regulations. Chart 19 below compares changes to single rate market offers and TOU market offers in the Ausgrid network from July 2018 and July 2019. It shows that half of the retailers have introduced greater bill decreases to their TOU offers (green columns) compared to their single rate offers (blue columns) over this period.

CHART 19 | Electricity market offers in Ausgrid network as annual bills, July 2018 and 2019, based on 7,200kWh per annum, single rate and TOU (50% peak/30% shoulder /20% off-peak), incl GST.⁴⁷



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.⁴⁸

Since the introduction of the DMO, however, many electricity retailers have moved away from pay on time discounts to offer guaranteed discount or no discount at all. Consequently, the difference between the average bill (across all retailers) paid late versus on time is now low (approximately \$110 per annum).

Retailers that still offer significant pay on time discounts are CovaU, Diamond Energy, Red Energy, 1st Energy and Powershop.⁴⁹ CovaU, for example, offers a 25% discount off the entire bill if customers pay on time and this discount, combined with a late payment fee of \$15, means that a late paying customer can be around \$840 worse off per annum in the Essential

47 As the majority of retailers have discontinued their 2018 offers and introduced new market offers, this analysis is based on market offers deemed best value as well as "standard" (e.g. no direct debit requirements, fixed prices etc.) in both July 2018 and July 2019. Where this has occurred, the offers used for this comparison (2018/2019) are: Energy Locals (Simple Saver/Super Saver), AGL (Savers/Smart Saver), Alinta (Fair Deal/No Fuss), Click (Agate/Banksia), Energy Australia (Anytime Saver/Total Plan), Momentum (SmilePower/ SmilePower Flexi), Powerdirect (Market offer/Discount Saver), Powershop (Power Saver/Shopper with Mega Pack), 1st Energy (Market offer/1st Saver) and Amaysim (Electricity 2/Electricity as you go).

48 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 2018, An update report on the NSW Tariff-Tracking project* by May Mauseth Johnston (July 2018)

49 Note that Powershop's discount is not a traditional pay on time discount but customers are required to purchase special offers in advance, by a set date, in order to qualify for the discounts.

network.⁵⁰ Table 6 shows how much more a late paying customer on each of the retail offers would pay per annum.⁵¹

TABLE 6 | The difference (\$) to annual bill when customers pay late

	Essential	Ausgrid	Endeavour
CovaU	838	790	723
Powershop	408	355	352
Red Energy	266	234	231
Diamond Energy	262	249	237
1st Energy	192	169	168
Energy Locals	64	64	64
Enova Energy	60	NA	NA
AGL	51	51	51
Powerdirect	51	51	51
Click Energy	48	48	48
EnergyAustralia	48	48	48
Mojo Power	48	48	48
Origin Energy	48	48	48
Amaysim	48	48	48
ReAmped Energy	48	48	48
Alinta Energy	0	0	0
Commander	0	0	0
Dodo Power & Gas	0	0	0
Momentum Energy	0	0	0
Simply Energy	0	0	0
Powerclub	0	0	0
DC Power Co	0	0	0

Charts 20 – 22 below show annual bills for customers that pay bills on time and customers that pay late in each of the three network areas.⁵²

⁵⁰ Based on households using 7,200 kWh per annum, single rate and inclusive of GST.

⁵¹ If the retailer charges a late payment fee, four late payment fees have been included in the annual 'late bill' calculation.

⁵² If the retailer charges a late payment fee, four late payment fees have been included in the annual 'late bill' calculation.

CHART 20 | Ausgrid’s network area: Estimated annual bills (incl GST) for electricity market offers (as of July 2019) paid late vs. paid on time - Households consuming 7,200kWh per annum (single rate)

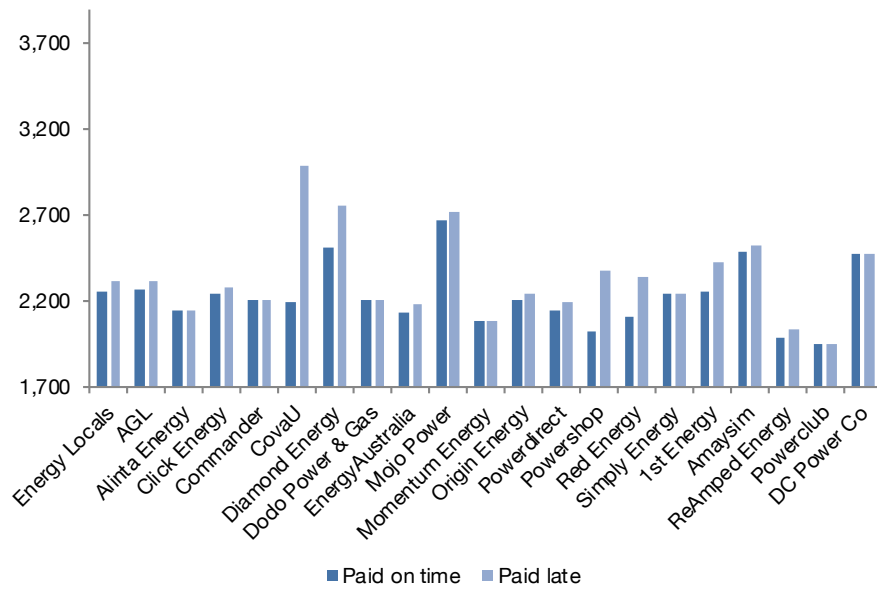


CHART 21 | Endeavour’s network area: Estimated annual bills (incl GST) for electricity market offers (as of July 2019) paid late vs. paid on time - Households consuming 7,200kWh per annum (single rate)

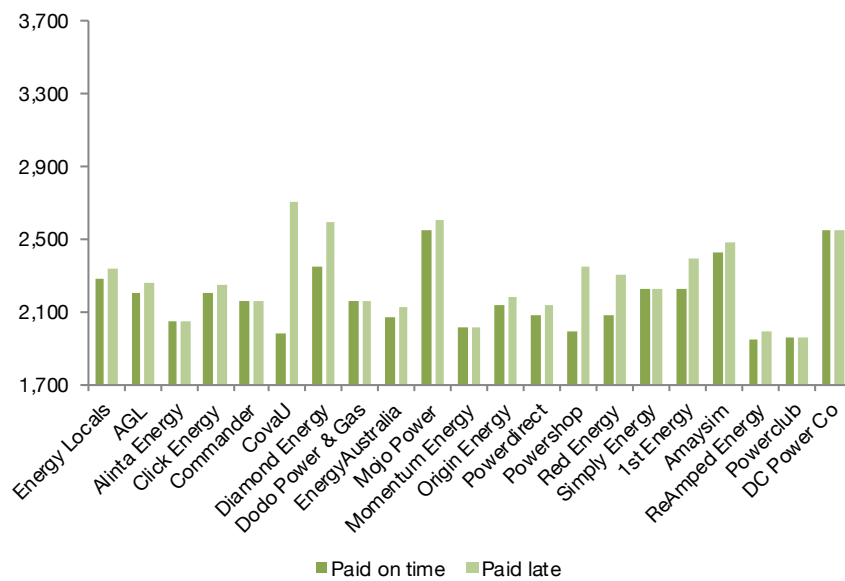
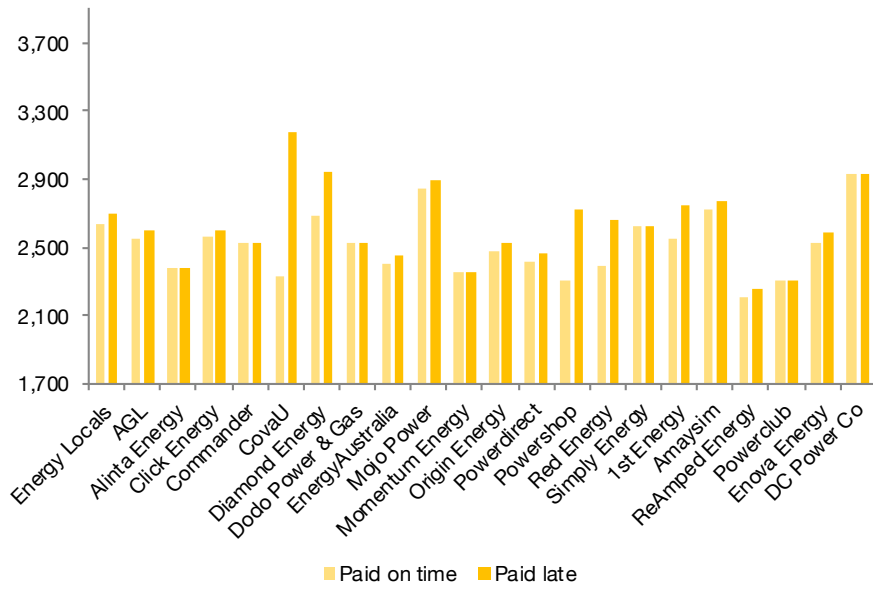


CHART 22 | Essential's network area: Estimated annual bills (incl GST) for electricity market offers (as of July 2019) paid late vs. paid on time - Households consuming 7,200kWh per annum (single rate)



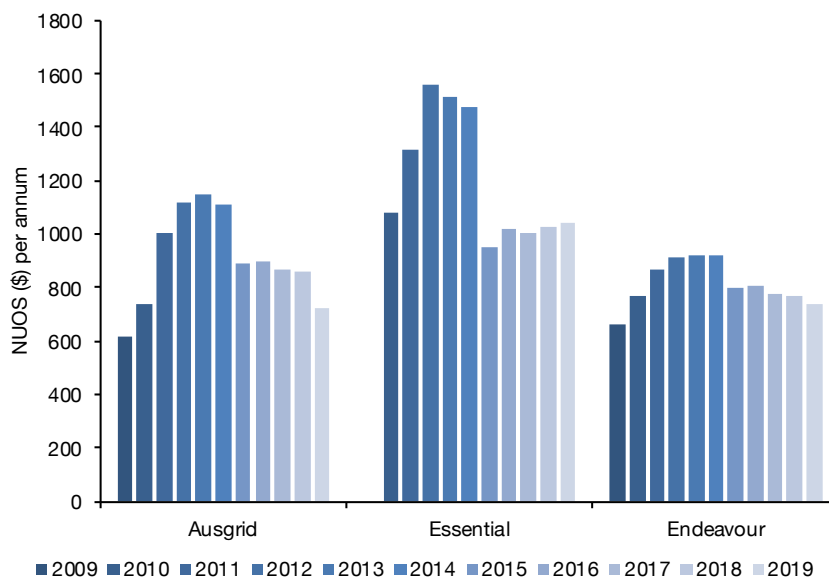
4. NETWORK CHARGES

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 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. As of July 2019, the NUOS decreased in Ausgrid and Endeavour while there was another small increase in Essential. See chart 23 below.

Network charges as proportion of total bill have also flattened out or decreased in Ausgrid and Endeavour in recent years. From July 2014, the NUOS proportion of bills dropped substantially. In the Essential network, however, there have been slight increases over the last two years. The proportion is currently 30% in Ausgrid, 38% in Essential and 31% in Endeavour. See chart 23 below.

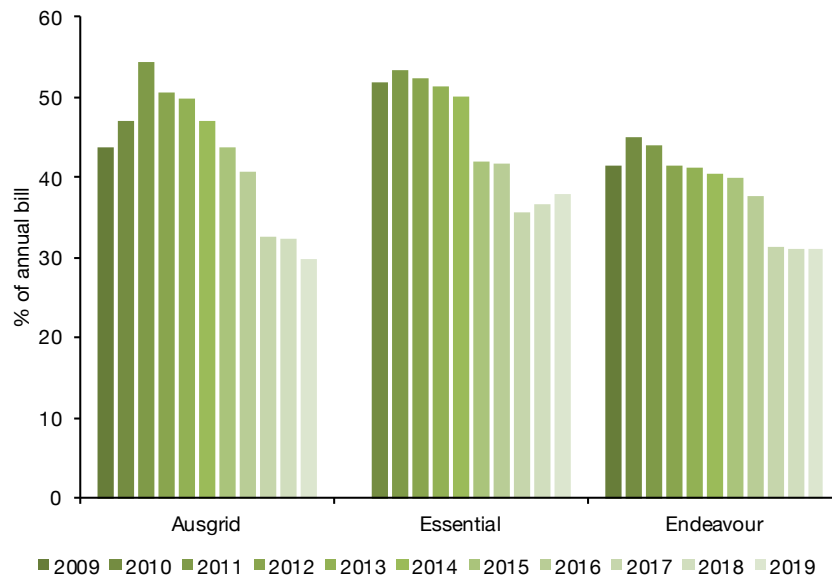
CHART 23 | NUOS charges as annual cost to residential consumers from 2009* to 2019, all networks (based on single rate, 7,200kWh per annum, GST exclusive)⁵³



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

⁵³ 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.

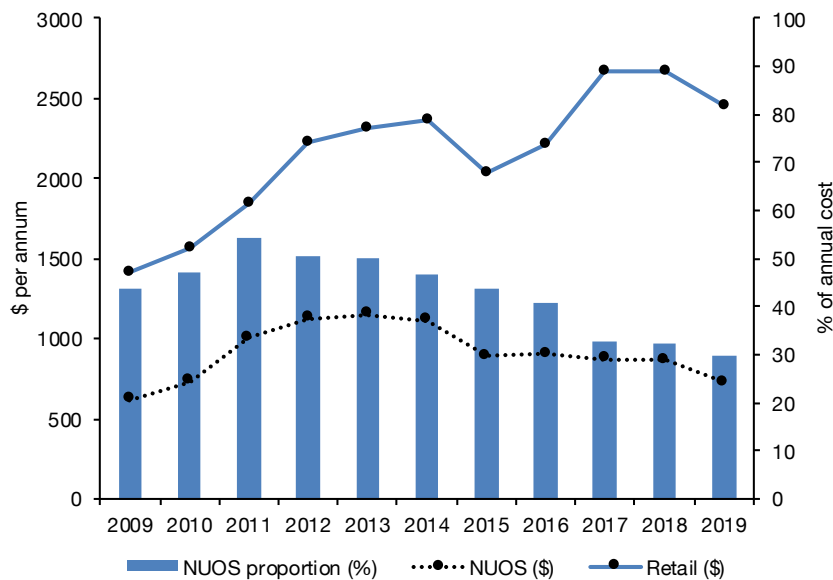
CHART 24 | NUOS charges as proportion of annual bill from 2009* to 2019, all networks. Based on regulated offer (2009-2013) and the incumbent retailers' single rate standing offer (2014-2019), 7,200kWh per annum, incl. GST⁵⁴



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

Charts 25-27 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 23-24 above.

CHART 25 | 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 2019), 7,200kWh per annum, incl GST.



54 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 2019), 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.

CHART 26 | 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 2019), 7,200kWh per annum, incl. GST

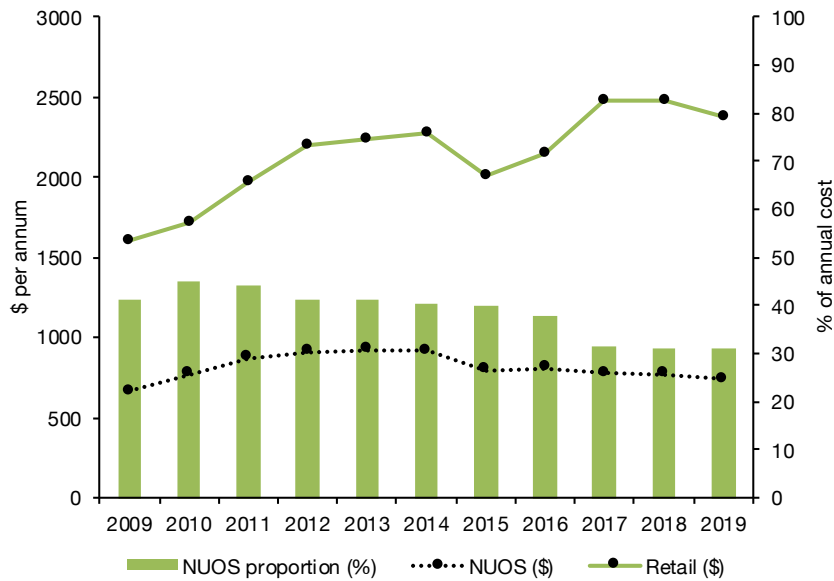
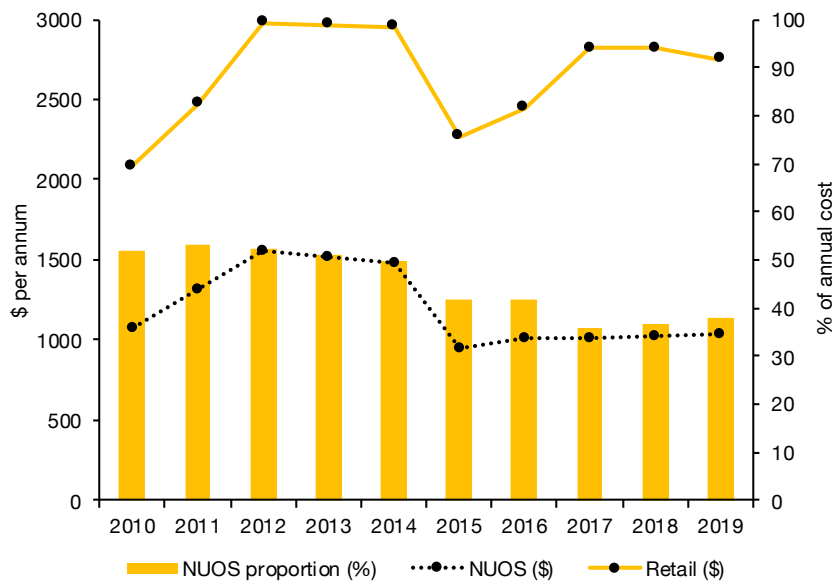


CHART 27 | Essential Energy: Retail bill per annum, NUOS charges and NUOS as proportion of total bill Based on regulated offer (2010-2013) and Origin's single rate standing offer (2014 and 2019), 7,200kWh per annum, incl. GST



5. SOLAR OFFERS

There are over 460,000 small scale solar systems in NSW.⁵⁵ For 2019-20, IPART stated that a fair and reasonable benchmark range for solar electricity fed back into the grid is between 8.5 and 10.4 cents per kWh.⁵⁶ However, the retailers are not obliged to offer a FIT in this range. 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.⁵⁷
- ▲ 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.⁵⁸
- ▲ 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.

TABLE 7 | Retailers' FIT rates (July 2019)

Retailer	Offer	FIT rate (c/kWh)
Origin Energy	Solar Optimiser	21
Mojo Power	Connect	20
Energy Locals	Solar Member Promise	16
Enova Energy	Solar Plus	16
AGL	Solar Savers	15
Amaysim	Solar as you go	15
DC Power Co	Market offer	15

⁵⁵ Small scale is defined as systems up to 100 kW. Clean Energy Council, Clean Energy Australia Report 2019, 62

⁵⁶ See benchmark range 2019-20 in IPART, Solar feed-in tariffs, The value of electricity from small-scale solar panels in 2019-20, Final report, April 2019

⁵⁷ 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).

⁵⁸ Ibid.

Retailer	Offer	FIT rate (c/kWh)
Click Energy	Banksia Solar	14
EnergyAustralia	Total Plan Home	12.5
Diamond Energy	Pay on time discount	12
Commander	Market offer	11.6
Dodo Power & Gas	Market offer	11.6
Red Energy	Living Energy Saver	11.1
Powerdirect	Discount Saver	10.2
Powershop	Shopper with Mega Pack	10.2
Powerclub	Powerbank Home Solar	10
CovaU	Freedom Solar	8.5
Simply Energy	Plus	8
ReAmped Energy	Market offer	8
Alinta Energy	No fuss	7.5
Momentum Energy	SmilePower Flexi	7
1st Energy	1st Saver	6

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 \$1,300 and that is \$920 less than the average market offer bill for non-solar customers (see section 2.1.1 above). Households with a 1.5 kW system installed will have an annual bill of \$1,675.

Chart 28 also shows that Mojo, DC Power Co, Amaysim, CovaU, Diamond, Click, and AGL's offers produce annual bills above the average for both 3 kW and 1.5 kW systems. Mojo'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 \$555 per annum better off on Powerclub's offer compared to Mojo's offer, despite Powerclub'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 \$310 per annum if they switched from Mojo to Powerclub'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 2019 as annual bills, Single rate, 7,200kWh (GST inc).⁵⁹

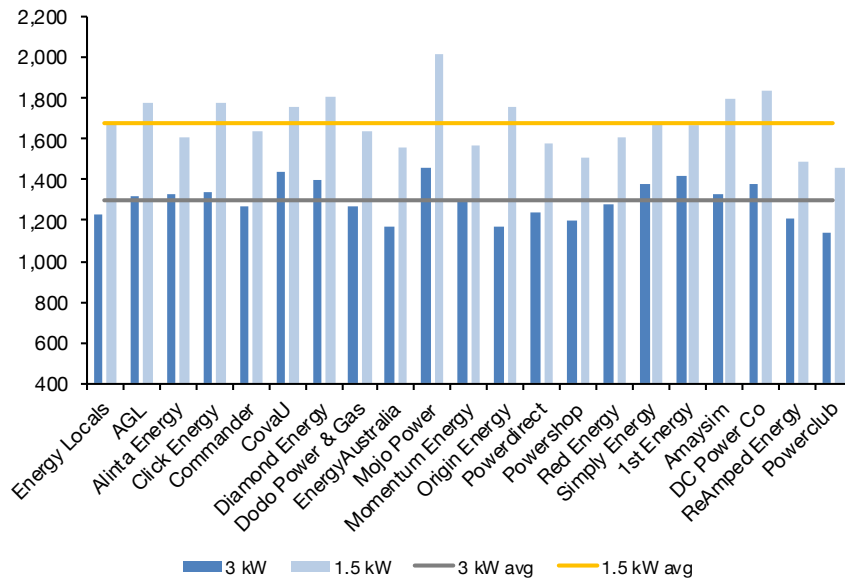
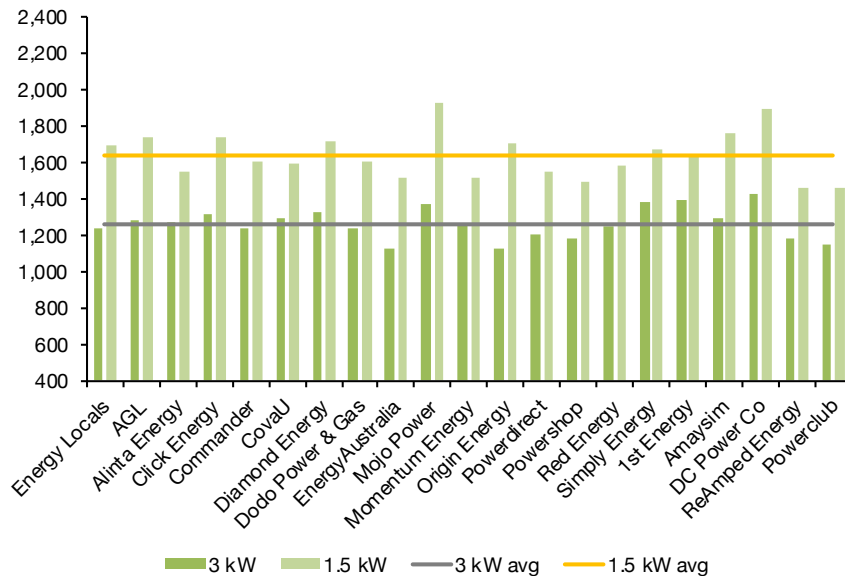


Chart 29 below shows annual bills for Sydney solar customers in the Endeavour network. It shows that for this consumption level, the average market offer bill for households in this area with a 3 kW system installed is \$1,265 and that is \$910 less than the average market offer bill for non-solar customers (see section 2.1.1 above). Households with a 1.5 kW system installed will have an annual bill of \$1,640.

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 2019 as annual bills, Single rate, 7,200kWh (GST inc).⁶⁰



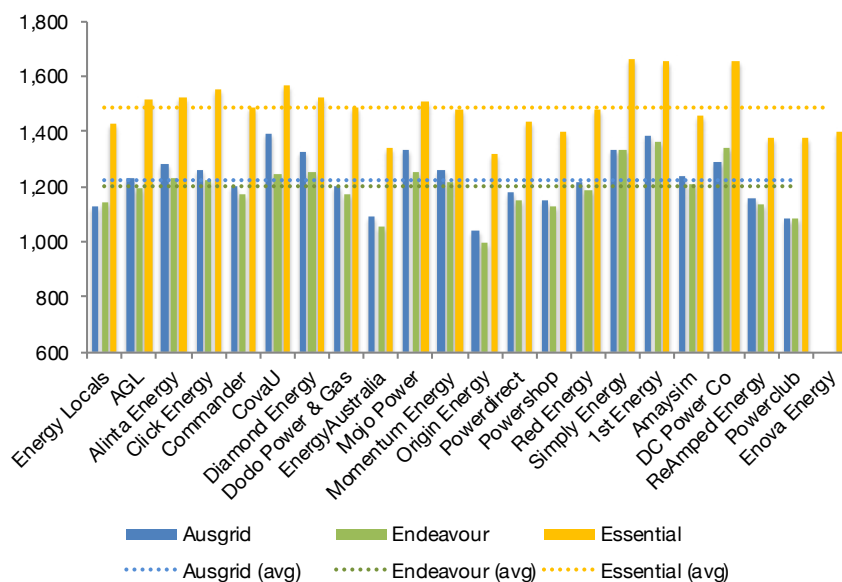
Homes outside Sydney’s metropolitan area will typically have less overshadowing and therefore a higher generation capacity and export rate. Chart 30 compares annual retail bills for non-metropolitan solar customers with 3 kW systems in the three network areas. It shows that the average annual bill for non-metropolitan solar customers with this consumption level

⁵⁹ Calculations include discounts off usage or bill as well as pay on time discounts off usage or bill.

⁶⁰ Ibid.






















is \$1,225 in Ausgrid, \$1,200 in Endeavour and \$1,485 in Essential. Compared to non-solar households, the average bill is \$995 less in Ausgrid, \$975 less in Endeavour, and \$1,030 less in Essential (see section 2.1.1 above for non-solar customers).

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 2019 as annual bills, Single rate, 7,200kWh (GST inc).⁶¹



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).⁶² The difference between the best and the worst solar market offer is approximately \$310 per annum in Ausgrid and Endeavour, and \$340 in Essential.

FIGURE 6 | Lowest to highest annual bills (incl GST) for solar market offers post July 2019, 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

	Powerclub	\$1,144		Commander	\$1,271		Click Energy	\$1,342
	Origin Energy	\$1,166		Dodo Power & Gas	\$1,271		DC Power Co	\$1,381
	Energy Australia	\$1,170		Red Energy	\$1,275		Simply Energy	\$1,382
	Powershop	\$1,203		Momentum Energy	\$1,304		Diamond Energy	\$1,398
	ReAmped Energy	\$1,206		AGL	\$1,322		1st Energy	\$1,319
	Energy Locals	\$1,226		Alinta Energy	\$1,330		CovaU	\$1,443
	Powerdirect	\$1,243		Amaysim	\$1,333		Mojo Power	\$1,456

61 Ibid.

62 These market offers were collected between the 1st and the 16th of July 2019 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 7 | Lowest to highest annual bills (incl GST) for solar market offers post July 2019, 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	\$1,125		Dodo Power & Gas	\$1,241		Amaysim	\$1,298
	Energy Australia	\$1,132		Energy Locals	\$1,242		Click Energy	\$1,312
	Powerclub	\$1,146		Red Energy	\$1,247		Diamond Energy	\$1,327
	ReAmped Energy	\$1,184		Momentum Energy	\$1,261		Mojo Power	\$1,374
	Powershop	\$1,186		Alinta Energy	\$1,273		Simply Energy	\$1,382
	Powerdirect	\$1,210		AGL	\$1,285		1st Energy	\$1,399
	Commander	\$1,241		CovaU	\$1,297		DC Power Co	\$1,431

FIGURE 8 | Lowest to highest annual bills (incl GST) for solar market offers post July 2019, 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

	Origin Energy	\$1,322		Amaysim	\$1,461		Diamond Energy	\$1,526
	Energy Australia	\$1,340		Red Energy	\$1,477		Click Energy	\$1,551
	Powerclub	\$1,374		Momentum Energy	\$1,483		CovaU	\$1,571
	ReAmped Energy	\$1,380		Commander	\$1,484		DC Power Co	\$1,653
	Enova Energy	\$1,186		Dodo Power & Gas	\$1,484		1st Energy	\$1,658
	Powershop	\$1,401		Mojo Power	\$1,509		Simply Energy	\$1,662
	Energy Locals	\$1,430		AGL	\$1,517			
	Powerdirect	\$1,433		Alinta Energy	\$1,523			

6. 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.⁶³ 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

In this area, Energy Australia's annual electricity standing offer bill is \$215 less in July 2019 compared to July 2018 (based on households consuming 7,200kWh/annum). Households in the Jemena/AGL gas zone have received an increase in gas prices of approximately \$70 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 a decrease in annual energy costs of \$145 from July 2019.⁶⁴
- ▲ All-electric households (consuming 8,000kWh/annum) in Sydney, Newcastle, Maitland, Singleton, Muswellbrook and the Upper Hunter will typically experience a decrease in annual electricity costs of \$190 from July 2019.⁶⁵

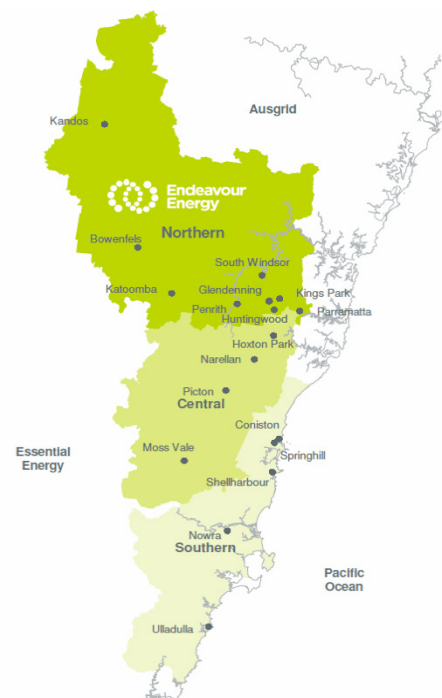


Source: www.ausgrid.com.au

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

In this area, Origin's annual electricity standing offer bill is \$100 less in July 2019 compared to July 2018 (based on households consuming 7,200kWh/annum). Households in the Jemena/AGL gas zone have received a \$70 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 decrease in annual



Source: www.endeavourenergy.com.au

⁶³ According to IPART, approximately 40% of all NSW households has gas and in the Sydney metropolitan area approximately 50% of households has gas. IPART, *Review of regulated retail prices and charges for gas*, Final report, June 2014, p 52

⁶⁴ These are households in Ausgrid's electricity distribution network and Jemena/AGL's gas zone.

⁶⁵ These are households on a two-rate (controlled load) tariff in Ausgrid's electricity distribution network.

energy costs of \$30 from July 2019.⁶⁶

- ▲ As gas prices have increased by \$20 only in Nowra/Shoalhaven, dual fuel households in this area will typically experience a decrease in annual energy costs of \$80 from July 2019.⁶⁷
- ▲ All-electric households in Western Sydney, Wollongong, Blue Mountains, Lithgow, Kandos, Moss Vale, Nowra and Ulladulla will also typically experience a decrease in annual electricity costs of \$190 from July 2019.⁶⁸

5.3 Rural and Regional NSW

In rural and regional NSW, the average annual electricity standing offer bill is \$70 less in July 2019 compared to July 2018 (based on households consuming 7,200kWh/annum). For all-electric households (8,000kWh, 30% controlled off peak) the average electricity standing offer has decreased by \$20.

- ▲ Dual fuel households with an average consumption of electricity and gas in Bathurst, Orange, Dubbo and Parkes will typically experience no change to their annual energy costs from July 2019.⁶⁹
- ▲ Dual fuel households in Goulburn, Boorowa, Yass and will typically experience a decrease in annual energy costs of \$50 from July 2019.⁷⁰
- ▲ Dual fuel households in Queanbeyan and Bungendore will typically experience a decrease in annual energy costs of \$85 from July 2019.⁷¹



Source: Country Energy, Annual Report 2009-10

- ▲ Dual fuel households in Temora, Tumut, Holbrook, Henty, Cualcain, Walla Walla, Cooma, Bombala, Wagga Wagga, Uranquity, Albury and Jindera will typically experience a decrease in annual energy costs of \$40 from July 2019.⁷²
- ▲ Dual fuel households in Tamworth will typically experience a decrease in annual energy costs of \$50 from July 2019.⁷³
- ▲ Dual fuel households in Moama and other Murray Valley towns will typically experience a decrease in annual energy costs of \$35 from July 2019.⁷⁴

66 These are households in Endeavour Energy's electricity distribution network and Jemena/AGL's gas zone.

67 These are households in Endeavour Energy's electricity distribution network and ActewAGL's Shoalhaven gas zone.

68 These are households on a two-rate (controlled load) tariff in Endeavour Energy's electricity distribution network.

69 These are households in Essential Energy's electricity distribution network and Jemena/AGL's gas zone.

70 These are households in Essential Energy's electricity distribution network and ActewAGL's Goulburn gas zone.

71 These are households in Essential Energy's electricity distribution network and ActewAGL's Queanbeyan gas zone.

72 These are households in Essential Energy's electricity distribution network and Origin Energy's Temora, Cooma, Tumut, Wagga Wagga and Albury gas zones.

73 These are households in Essential Energy's electricity distribution network and Origin's Tamworth gas zone.

74 These are households in Essential Energy's electricity network and Origin's Murray Valley gas zone.