

Electricity prices in South Australia.

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CC: Minister.Koutsantonis@sa.gov.au

In response to an article in the In Daily 1/12/22.

The State Government has directed the Essential Services Commission of South Australia (ESCOSA) to conduct an inquiry into the potential reaping of “sustained” unjustified profits by retailers, generators and any other parties in the electricity and gas industries.

Minister for Energy and Mining Tom Koutstantonis today said “unscrupulous energy companies” making “super profits” would be brought into the spotlight by the inquiry established today.

From a section taken from The Wall Street Journal which was in the Weekend Australia December 10-11, 2022 about “Quebec pulls the plug on cryptocurrency miners”:

Hydro-Quebec charges the lowest rates for industrial power in North America, with average prices as of April 1 of US3.93c (5.8c) per kilowatt hour in Montreal, its largest city, according to the utility's data. Industrial customers in Houston pay an average of US10.33c. The average cost in North America is US8.22c.

We sell instruments (designed and manufactured in SA) into the USA mainly in the West and mid-West. Over the years, I have often asked about the price of electricity. In the NW of the USA, it is mainly hydro power from the Columbia River and that sells in those states at around US6c a KWh. In Utah and Northern Texas, it is around US8c per KWh for both domestic and light industry. Texas has a population near to Australia (about 29 million) and its electricity grid is independent (not tied to any other state or national grid). There are many sparse places in Texas much like Australia. Their power mix is wind, solar, fossil fuels and a small bit of nuclear. Thus, it is a reasonable comparison with the Australian East coast. These electricity companies are profitable at what is the rough equivalent of A11c per KWh.

I very firmly support an inquiry into why our prices are so high.

Regards

Richard Kelly

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