



Energy Retail Offers Comparison Report 2017-18

Report to the Minister for Energy and Mining

August 2018

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Glossary of terms

Term	Description
Commission	Essential Services Commission established under the Essential Services Commission Act 2002
Designated Retailer	Under clause 2 of the National Energy Retail Law, a 'Designated Retailer' is defined as, in the case where there is: <ul style="list-style-type: none"> (a) no existing connection – the local area retailer; and (b) an existing connection – the financially responsible retailer for the premises
Electricity customer	The annual consumption assumed for electricity customers is: <ul style="list-style-type: none"> ▶ for residential customers: 5,000 kilowatt hour ▶ for small business customers: 10,000 kilowatt hour
Gas customer	The annual consumption assumed for gas customers is: <ul style="list-style-type: none"> ▶ for residential customers: 21,000 MJ ▶ for small business customers: 190,000 MJ
GST	Goods and Services Tax
kWh	Kilowatt hour
Market Offer	Any retail electricity or gas offer that is not a Standing Offer
Minister	Minister for Energy and Mining
MJ	Megajoule
MWh	Megawatt hour
Law	National Energy Retail Law (South Australia) Act 2011
NERL retailers	Energy retailers authorised to sell electricity to customers under the National Energy Retail Law (South Australia) Act 2011
PV	photovoltaic
Report	Annual report required by Electricity (General) Regulations 2012, Regulation 12 and the Gas Regulations 2012, Regulation 6 (refer Annexure A). 2017-18 Energy Retail Offers Comparison Report.
Retailers	Energy retailers authorised to sell electricity to customers under the National Energy Retail Law (South Australia) Act 2011
R-FiT	Retailer-paid component of the solar feed-in tariff
Solar Customer	A residential or small business customer using less than 160 Megawatt hour of electricity per annum at a connection point, which has a PV unit and complies with the requirements of Division 3AB of the Electricity Act

Simple Average	The mean of a group of numbers, which gives equal weight to each individual number within the group
Standing Offer	Standing Offers are those which an energy retailer must make available to customers for which it is a Designated Retailer
TJ	Terajoule

Executive summary

Under the Electricity Act 1996 and Gas Act 1997, the Essential Services Commission (**Commission**) provides to the Minister for Energy and Mining (**Minister**) an annual Energy Retail Offers Comparison Report. This 2017-18 Report (**Report**) compares electricity and gas retail offer prices available to South Australian residential and small business customers during the period 30 June 2017 to 30 June 2018.

This Report therefore provides a snapshot of energy retail offers available in the market at a particular time. In doing so, it applies an annual bill approach, using set levels of customer consumption, to monitor energy retail offer prices in South Australia.

This Report does not cover recent electricity and gas retail price movements, effective from 1 July 2018. Those price movements will be covered in the 2018-19 Report.

The Commission's key observations of energy retail offer price movements over the 12 months to 30 June 2018 are set out below.

Annual electricity retail offer prices have generally increased over the past 12 months

- ▶ Average annual residential electricity retail Standing Offer and Market Offer prices increased by 18 percent and 14 percent respectively over the 12 months to 30 June 2018. This is equivalent to an average annual bill increase of \$405 for a residential customer on a Standing Offer, and a \$268 increase for a customer on a Market Offer.
- ▶ Average annual small business retail electricity Standing Offer and Market Offer prices increased by 17 percent and 13 percent respectively over the same period. This is equivalent to an average annual bill increase of \$750 for a small business customer on a Standing Offer, and a \$516 increase for a customer on a Market Offer.

Annual gas retail offer prices have generally increased over the past 12 months

- ▶ Average annual residential gas retail Standing Offer and Market Offer prices increased by 10 percent and three percent respectively over the 12 months to 30 June 2018. This is equivalent to an average annual bill increase of \$106 for a residential customer on a Standing Offer, and a \$30 increase for a customer on a Market Offer.
- ▶ At 30 June 2018, only Origin Energy actively marketed to regions outside of Adelaide. Origin Energy offered the same gas retail Standing Offer prices to their metropolitan and non-metropolitan residential customers.
- ▶ Average annual small business gas retail Standing Offer and Market Offer prices increased by 12 percent and six percent respectively over the same period. This is equivalent to an average annual bill increase of \$717 for a small business customer on a Standing Offer, and a \$308 increase for a customer on a Market Offer.

Market Offers were generally priced at a discount to Standing Offers

- ▶ There was a wide range of discounts between electricity retail Standing Offers and Market Offers. For residential customers, the discount between a retailer's Standing Offer and average Market Offer ranged from three percent to 29 percent. For small business customers, the available discount ranged from three percent to 26 percent.
- ▶ While gas retail Market Offers were also generally priced at a discount to Standing Offers, the extent of discounting was lower for gas than for electricity. For residential gas customers, the discount between a retailer's Standing Offer and their average Market Offer ranged from six percent to 21 percent. For small business gas customers, the available discount ranged from four percent to 24 percent.

Customers can save by shopping around for a better energy retail offer

- ▶ Energy retailers were differentiating their retail Market Offers in a variety of ways (for example, through retail tariffs, discounts, fees and charges, contract duration and sign-up incentives) resulting in annual bill differences between Market Offers. However, the extent of differentiation was less in gas than for electricity.
- ▶ At 30 June 2018, where a retailer discounted a retail Market Offer against its Standing Offer, residential electricity customers on a Standing Offer could have saved between \$92 and \$905 annually had they switched to their retailer's lowest-priced Market Offer.
- ▶ At 30 June 2018, where a retailer discounted a retail Market Offer against its Standing Offer, residential gas customers on a Standing Offer could have saved between \$93 and \$306 had they switched to their retailer's lowest-priced Market Offer.
- ▶ With the range of energy retail offers available, customers can save by shopping around for a better offer. Customers can either change their energy retailer or find a better offer with their current energy retailer. Customers can make use of the Australian Energy Regulator's (AER) Energy Made Easy online service (www.energymadeeasy.gov.au) to compare all available energy offers.

1 Introduction

Under the Electricity Act 1996 and Gas Act 1997, the Essential Services Commission (**Commission**) is responsible for providing to the Minister for Energy and Mining (**Minister**) an annual Energy Retail Offers Comparison Report (**Report**) for South Australian residential and small business customers. This is the sixth annual Report under those Acts.¹

This Report forms part of an overall pricing and market monitoring regime, introduced by the South Australian Government when energy retail prices were deregulated on 1 February 2013.² Under that regime, the South Australian Government (through the Minister) has the role of collecting and gathering market information, including through reports provided by the Commission, the Australian Energy Market Operator and the Australian Energy Regulator, to inform itself of the state of the market and of the need to review or amend regulatory controls.

The Report must include:

- ▶ the range of retail Standing Offer prices generally available to small customers³
- ▶ the range of retail Market Offer prices generally available to small customers
- ▶ the difference between average retail Standing Offer prices and retail Market Offer prices generally available to small customers, and
- ▶ any other matter required by the Minister.⁴

The key observations set out in this Report are based on energy retail offer prices that were available to residential and small business customers in South Australia between 30 June 2017 and 30 June 2018.

To report on those matters, this Report uses an annual bill, with a set level of consumption as a benchmark, to ensure that any movements in annual bills can be attributed to price movements and not to changes in energy usage. The full set of details and assumptions that underpin the analysis are discussed in Annexure B.

Movements in annual bills for residential and small business electricity customers are presented in Tables 2-1 and 2-2 respectively. Annual bill movements for residential and small business gas customers are presented in Tables 3-1 and 3-2 respectively. Additional commentary on annual bill movements are provided in this Report.

Annexures C, D, E and F provide a full data set of estimated annual bills for residential and small business electricity and gas customers on the lowest-priced Market Offer, highest-priced Market Offer, Standing Offer, and the simple average Market Offer bill for each retailer.

This Report does not cover recent electricity and gas price movements, effective from 1 July 2018. Those price movements will be covered in the 2018-19 Report.

¹ Regulation 12(2) of the Electricity (General) Regulations 2012 and Regulation 6(2) of the Gas Regulations 2012 (Regulations) require the Commission to provide to the Minister, by 31 August each year, a report on energy retail prices that were generally available to classes of small customers in South Australia in the preceding financial year. Extracts of the Regulations are contained in Annexure A.

² This date coincided with the implementation of the National Energy Customer Framework in South Australia, which transferred most South Australian energy retail regulatory functions to the Australian Energy Regulator.

³ Small customers are those electricity customers using less than 160 Megawatt hour of electricity annually and gas customers using less than 1 Terajoule of gas annually, through a single connection point.

⁴ No additional matters have been specified by the Minister for the purposes of this Report.

1.1 Energy retailers included in this Report

This Report provides information on offers available from energy retailers to South Australian residential and small business customers authorised under the National Energy Retail Law (South Australia) Act 2011 (**Law**). The Australian Energy Regulator administers retailer authorisations.

Table 1-1 shows that there were 20 authorised retailers actively retailing energy to small customers in South Australia at 30 June 2018. Two new retailers, amaysim Energy and Tango Energy, entered the South Australian electricity retail market, and one retailer, Next Business Energy, exited the market in 2017-18.

Table 1-1: Authorised retailers (at 30 June 2018)

Retailer	Selling electricity to		Selling gas to	
	Residential	Small business	Residential	Small business
AGL Energy	✓	✓	✓	✓
Alinta Energy	✓	✓		
amaysim Energy	✓	✓		
BlueNRG	✓	✓		
Click Energy	✓	✓		
Diamond Energy	✓	✓		
EnergyAustralia	✓	✓	✓	✓
ERM Power		✓		
Lumo Energy	✓	✓	✓	✓
M2 Energy (Commander)	✓	✓		
M2 Energy (Dodo)	✓			
Momentum Energy	✓	✓		
Origin Energy	✓	✓	✓	✓
Pacific Hydro	✓	✓		
Powerdirect	✓	✓		
QEnergy	✓	✓		
Red Energy	✓	✓	✓	✓
Sanctuary Energy	✓			
Simply Energy	✓	✓		
Tango Energy	✓	✓		

1.2 Types of energy offers

Energy retailers offer consumers two types of energy retail offers – Standing Offers and Market Offers.

1.2.1 Standing Offers

Each retailer authorised to sell electricity under the Law must publish retail Standing Offer prices. The Standing Offer is an element of the National Energy Customer Framework, arising under the Law. A retailer is required to make a Standing Offer available to small customers on request.

The Law prohibits retailers from changing the terms of their Standing Offers more frequently than every six months. In practice, they are often only changed annually. These offers are commonly marketed as the offer against which Market Offer discounts are measured.

1.2.2 Market Offers

Retailers generally provide a range of Market Offers; these must contain a minimum set of terms and conditions but may also include other terms and conditions. These offers can vary from contract to contract (for example, discounts, different payment options, fixed contract terms and various other fees and charges).

Retailers are free to change their Market Offers at any time.

1.3 Energy retail price information reported

This Report compares annual electricity and gas bills for small customers on Standing Offers and Market Offers at 30 June 2017 and 30 June 2018. The Commission's analysis includes:

- ▶ **Overall annual bill changes** – changes in Standing Offer and Market Offer annual bills (averaged across all retailers)⁵
- ▶ **Individual retailer annual bill changes** – changes in Standing Offer and Market Offer annual bills for each retailer, and
- ▶ **Differences between Standing Offers and Market Offers** – highlights the potential discounts that Market Offers provide relative to Standing Offers for each retailer, and the potentially higher discounts that customers might have saved had they switched to the lowest-priced Market Offer available in the market.

1.4 Additional information reported

The annual average bills presented in this Report are based on peak rates only. The following retailer price information is also provided in this Report:

- ▶ Retailer Feed-in Tariffs (Annexure G)
- ▶ Off-Peak Controlled Load offers (Annexure H), and
- ▶ Green energy options (Annexure I).

⁵ This is a simple (or unweighted) overall average determined by averaging each individual retailer's portfolio of relevant offers and then averaging all those individual retailers' results.

2 Electricity retail offer prices

Key observations

For residential customers

- ▶ Average annual electricity retail Standing Offer and Market Offer prices increased by 18 percent and 14 percent respectively over the 12 months to 30 June 2018.
- ▶ Residential retail Market Offers were generally priced at a discount to Standing Offers. The discount between a retailer's Standing Offer and average Market Offer ranged from three percent to 29 percent.
- ▶ Where a retailer discounted a retail Market Offer against its Standing Offer, residential customers on a Standing Offer could have saved between \$92 and \$905 had they switched to their retailer's lowest-priced Market Offer.

For small business customers

- ▶ Average annual electricity retail Standing Offer and Market Offer prices increased by 17 percent and 13 percent respectively over the 12 months to 30 June 2018.
- ▶ Small business retail Market Offers were generally priced at a discount to Standing Offers. The discount between a retailer's Standing Offer and average Market Offer ranged from three percent to 26 percent.
- ▶ Where a retailer discounted a retail Market Offer against its Standing Offer, small business customers on a Standing Offer could have saved between \$194 and \$1,487 had they switched to their retailer's lowest-priced Market Offer.

There was a wide range of discounts between the retail Standing Offer and the range of Market Offers provided by each electricity retailer. The analysis in subsequent sections utilises an assumed consumption profile for a representative electricity small customer, therefore all figures are indicative. Actual pricing outcomes for individual customers will depend on the amount of electricity consumed, retail tariffs and the terms and conditions of the customer's retail contract.

As at 31 March 2018, approximately 89 percent of small electricity customers in South Australia were on retail Market Offers (up from 87 percent as at 30 June 2017) with the remaining 11 percent of those customers on Standing Offers.⁶ These are the latest figures available on the Australian Energy Regulator website.

2.1 Residential electricity retail offer prices

Figure 2-1 shows the average annual electricity bill for a residential customer, based on available retail Standing Offer and Market Offer prices between 30 June 2017 and 30 June 2018, and the discount between the average Standing Offer and average Market Offer.

It shows that there were increases in both the average retail Standing Offer and Market Offer bills. However, the increase in the average Standing Offer bill of 18 percent (\$405) exceeded the 14 percent increase (\$268) in the average Market Offer bill. This increased the discount between the two types of offers from \$244 to \$381.

⁶ www.aer.gov.au/retail-markets/retail-statistics/south-australia-small-customer-contract-types

Figure 2-1: Average annual electricity retail bills for residential customers (\$nominal)

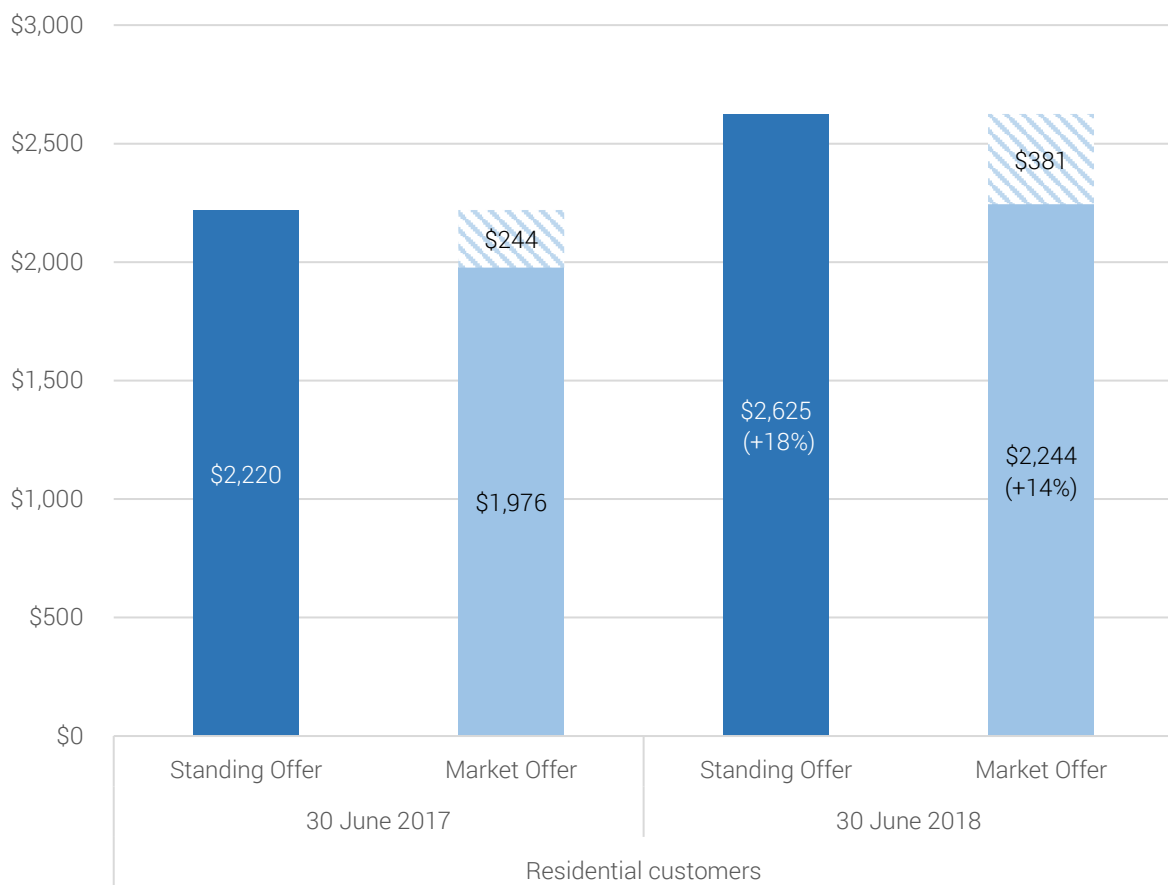


Table 2-1 shows the change in estimated annual residential electricity retail Standing Offer and lowest-priced Market Offer bills for each retailer between 30 June 2017 and 30 June 2018.

Annexure C provides a full data set of estimated annual electricity retail bills for residential customers on the lowest-priced Market Offer, highest-priced Market Offer, simple average Market Offer and Standing Offer bill for each retailer.

Table 2-1: Comparison of estimated annual electricity retail bills for residential customers (\$nominal)

Retailer	Standing Offer			Lowest-priced Market Offer			Difference between Standing Offer and lowest-priced Market Offer	
	30 June 2017	30 June 2018	% change	30 June 2017	30 June 2018	% change	30 June 2017	30 June 2018
AGL	\$2,050	\$2,423	18	\$1,803	\$2,089	16	\$247	\$334
Alinta Energy	\$2,432	\$2,648	9	\$1,768	\$2,083	18	\$664	\$565
amaysim Energy	-	\$3,017	-	-	\$2,112	-	-	\$905
BlueNRG	\$3,199	\$3,199	-	\$2,624	\$2,701	-	-	\$498
Click Energy	\$2,321	\$3,017	30	\$1,834	\$2,263	23	\$487	\$754
Diamond Energy	\$2,078	\$2,322	12	\$1,954	\$2,090	7	\$124	\$232
EnergyAustralia	\$2,314	\$2,801	21	\$1,811	\$2,247	24	\$503	\$554
Lumo Energy	\$2,120	\$2,612	23	\$2,097	\$2,047	-2	\$23	\$565
M2 Energy (Commander)	\$2,101	\$2,874	37	\$1,738	\$2,156	24	\$363	\$718
M2 Energy (Dodo)	\$2,184	\$2,982	37	\$1,709	\$2,114	24	\$475	\$868
Momentum Energy	\$2,243	\$2,479	11	\$2,243	\$2,387	6	-	\$92
Origin Energy	\$2,049	\$2,382	16	\$1,766	\$2,054	16	\$283	\$328
Pacific Hydro	\$2,163	\$2,163	-	-	-	-	-	-
Powerdirect	\$2,043	\$2,423	19	\$1,730	\$2,089	21	\$313	\$334
QEnergy	\$2,297	\$2,678	17	-	-	-	-	-
Red Energy	\$2,120	\$2,612	23	\$1,871	\$2,220	19	\$249	\$392
Sanctuary Energy	\$1,936	\$2,226	15	-	-	-	-	-
Simply Energy	\$2,083	\$2,479	19	\$1,809	\$2,049	13	\$274	\$430
Tango Energy	-	\$2,529	-	-	-	-	-	-
Simple average	\$2,220	\$2,625	18	\$1,911	\$2,180	14	\$308	\$444

The Commission's analysis of estimated annual residential electricity retail bills⁷ at 30 June 2017 and 30 June 2018 indicates:

► **Increases in the majority of residential electricity retail Standing Offer and Market Offer prices**

Fifteen out of the 19 electricity retailers increased their retail Standing Offer prices. The increases ranged from nine percent (Alinta Energy) to 37 percent (M2 Energy (Commander and Dodo)).

At 30 June 2018, Pacific Hydro had the lowest-priced retail Standing Offer annual bill at \$2,163 and BlueNRG had the highest-priced Standing Offer annual bill at \$3,199. Lumo Energy had the lowest-priced Market Offer annual bill at \$2,047 and BlueNRG had the highest-priced Market Offer annual bill at \$2,701.

► **Residential electricity retail Market Offers were generally priced at a discount to Standing Offers**

The discount between a retailer's Standing Offer and average Market Offer ranged from three percent (Momentum Energy) to 29 percent (amaysim Energy and M2 Energy (Dodo)). Residential customers could therefore save by moving from the Standing Offer to a Market Offer.

Residential customers on a retail Standing Offer could have saved between \$92 (Momentum Energy) and \$905 (amaysim Energy) had they switched to their retailer's lowest-priced Market Offer.

► **There was a range of price difference between retailers' residential electricity retail Market Offers**

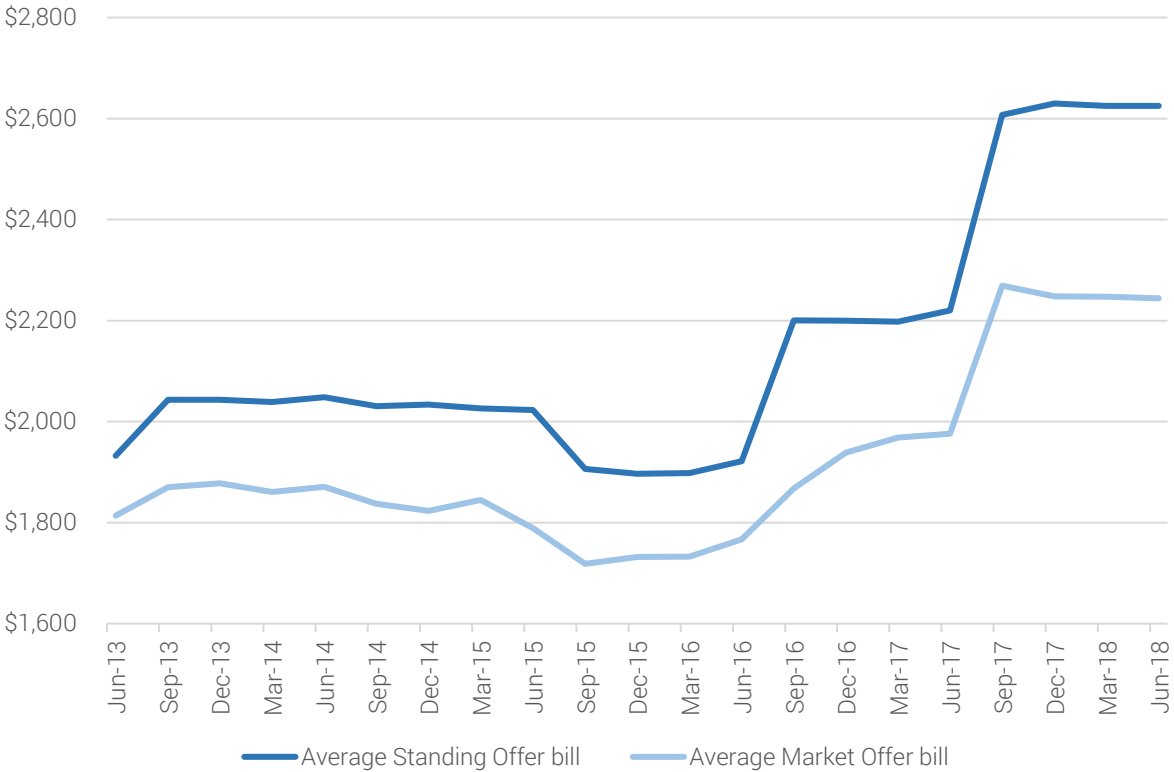
Retailers were differentiating their retail Market Offers in a variety of ways (for example, through retail tariffs, discounts, fees and charges, contract duration and sign-up incentives) resulting in price differences between Market Offers.

At 30 June 2018, the largest price difference was found across Lumo Energy's retail Market Offers, where the estimated annual bill on different Market Offers was between \$2,393 and \$2,047 (a spread of \$346).

⁷ Refer Table 2-1 and Annexure C.

Figure 2-2 shows the movement of annual residential electricity retail Standing Offer and Market Offer bills between 30 June 2013 and 30 June 2018. It shows that the annual Standing Offer bill has increased by 35.8 percent (an increase of 6.3 percent per annum), and that the average annual Market Offer bill has increased by 23.7 percent (an increase of 4.3 percent per annum) over the period. The average discount between Standing Offers and Market Offers has increased from \$118 to \$381 over the five years.

Figure 2-2: Movements in the average annual electricity retail Standing and Market Offer bills for residential customers (\$nominal)



2.2 Small business electricity retail offer prices

Figure 2-3 shows the average annual electricity bill for a small business customer, based on available retail Standing Offer and Market Offer prices at 30 June 2017 and 30 June 2018, and the discount between the average Standing Offer and average Market Offer.

It shows that there were increases in both the average retail Standing Offer and Market Offer bills. However, the increase in the average Standing Offer bill of 17 percent (\$750) exceeded the 13 percent increase (\$516) in the average Market Offer bill. This increased the discount between the two types of offers from \$433 to \$667.

Figure 2-3: Average annual electricity retail bill for small business customer (\$nominal)

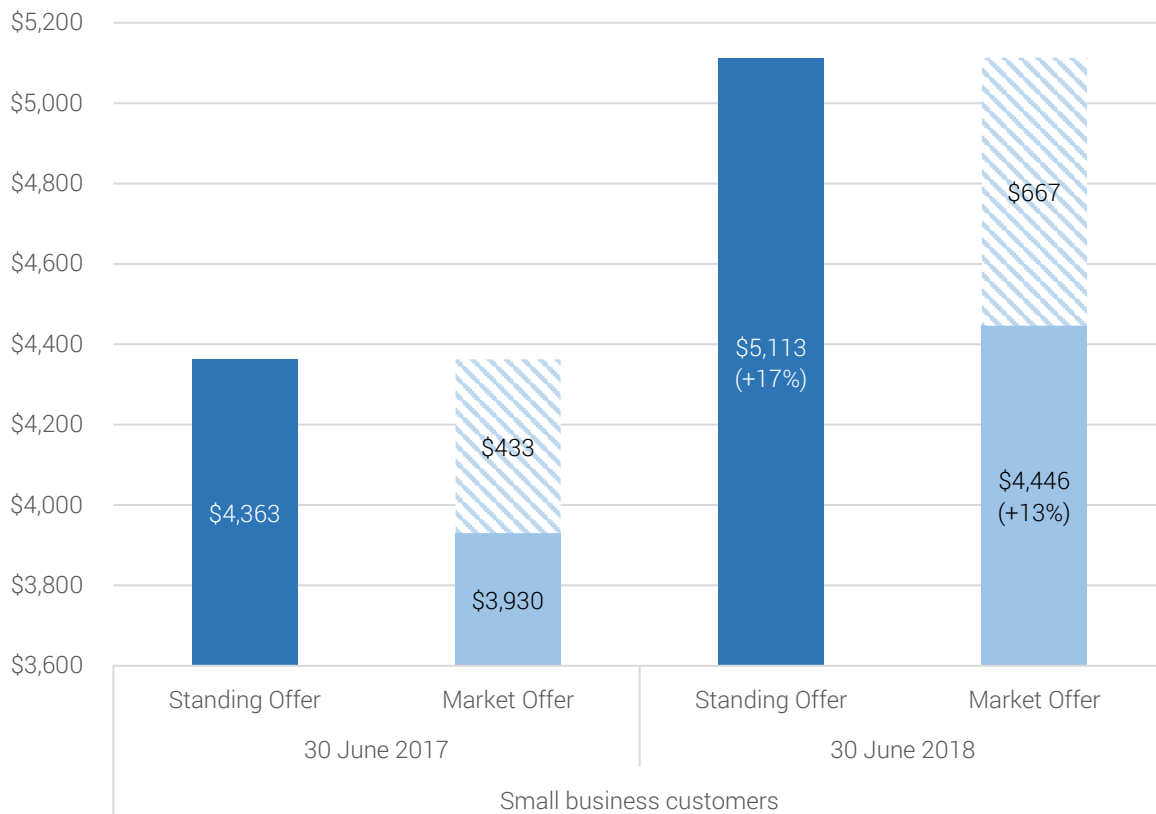


Table 2-2 shows the change in the estimated annual small business electricity retail Standing Offer and the lowest-priced Market Offer bills for each retailer between 30 June 2017 and 30 June 2018.

Annexure D provides a full data set of estimated annual electricity retail bills for small business customers on the lowest-priced Market Offer, highest-priced Market Offer, simple average Market Offer and Standing Offer bill for each retailer.

Table 2-2: Comparison of estimated annual electricity retail bills for small business customers (\$nominal)

Retailer	Standing Offer			Lowest-priced Market Offer			Difference between Standing Offer and lowest-priced Market Offer	
	30 June 2017	30 June 2018	% change	30 June 2017	30 June 2018	% change	30 June 2017	30 June 2018
AGL	\$4,184	\$5,095	22	\$3,135	\$4,017	28	\$1,049	\$1,078
Alinta Energy	\$5,056	\$5,273	4	\$3,559	\$3,907	-	\$1,497	\$1,366
amaysim Energy	-	\$5,391	-	-	\$4,529	-	-	\$862
BlueNRG	\$6,197	\$6,197	-	\$5,022	\$4,802	-	\$1,175	\$1,395
Click Energy	\$4,188	\$5,391	29	\$3,739	-	-	\$449	-
Diamond Energy	\$4,127	\$4,753	15	\$3,879	\$4,277	10	\$248	\$476
EnergyAustralia	\$4,616	\$5,605	21	\$3,504	\$4,527	29	\$1,112	\$1,078
ERM Power Retail Pty Ltd	\$4,529	\$4,529	-	\$5,229	\$5,229	-	(\$700)	(\$700)
Lumo Energy	\$3,922	\$5,008	28	\$4,018	\$3,882	-3	(\$96)	\$1,126
M2 Energy (Commander)	\$4,171	\$5,714	37	\$3,397	\$4,227	24	\$774	\$1,487
Momentum Energy	\$4,284	\$5,023	17	\$3,366	\$4,829	43	\$918	\$194
Origin Energy	\$4,173	\$4,801	15	\$3,399	\$4,081	20	\$774	\$720
Pacific Hydro	\$3,780	\$3,780	-	-	-	-	-	-
Powerdirect	\$4,505	\$5,095	13	\$3,877	\$4,339	12	\$628	\$756
QEnergy	\$4,123	\$5,211	26	-	-	-	-	-
Red Energy	\$3,922	\$5,008	28	\$3,461	\$4,418	28	\$461	\$590
Simply Energy	\$4,028	\$4,843	20	\$3,471	\$4,168	20	\$557	\$675
Tango Energy	-	\$5,311	-	-	-	-	-	-
Simple average	\$4,363	\$5,113	17	\$3,790	\$4,374	15	\$573	\$739

The Commission's analysis of estimated annual small business electricity retail bills⁸ at 30 June 2017 and 30 June 2018 indicates:

- ▶ **Increases in the majority of small business electricity retail Standing Offer and Market Offer prices**
Thirteen out of the 18 electricity retailers increased their retail Standing Offer prices. The increases ranged from four percent (Alinta Energy) to 37 percent (M2 Energy (Commander)).

At 30 June 2018, Pacific Hydro had the lowest-priced retail Standing Offer annual bill at \$3,780 and BlueNRG had the highest-priced Standing Offer annual bill at \$6,197. Lumo Energy had the lowest-priced Market Offer annual bill at \$3,882 and ERM Power Retail had the highest-priced Market Offer annual bill at \$5,278.

- ▶ **Small business electricity retail Market Offers were generally priced at a discount to Standing Offers**

The discount between a retailer's Standing Offer and average Market Offer ranged from three percent (Momentum Energy) to 26 percent (Alinta Energy and M2 Energy (Commander)). Small business electricity customers could therefore save by moving from the Standing Offer to a Market Offer.

Small business customers on a retail Standing Offer could have saved between \$194 (Momentum Energy) and \$1,487 (M2 Energy (Commander)) had they switched to their retailer's lowest-priced Market Offer.

- ▶ **There was a range of price difference between small business electricity retail Market Offers**

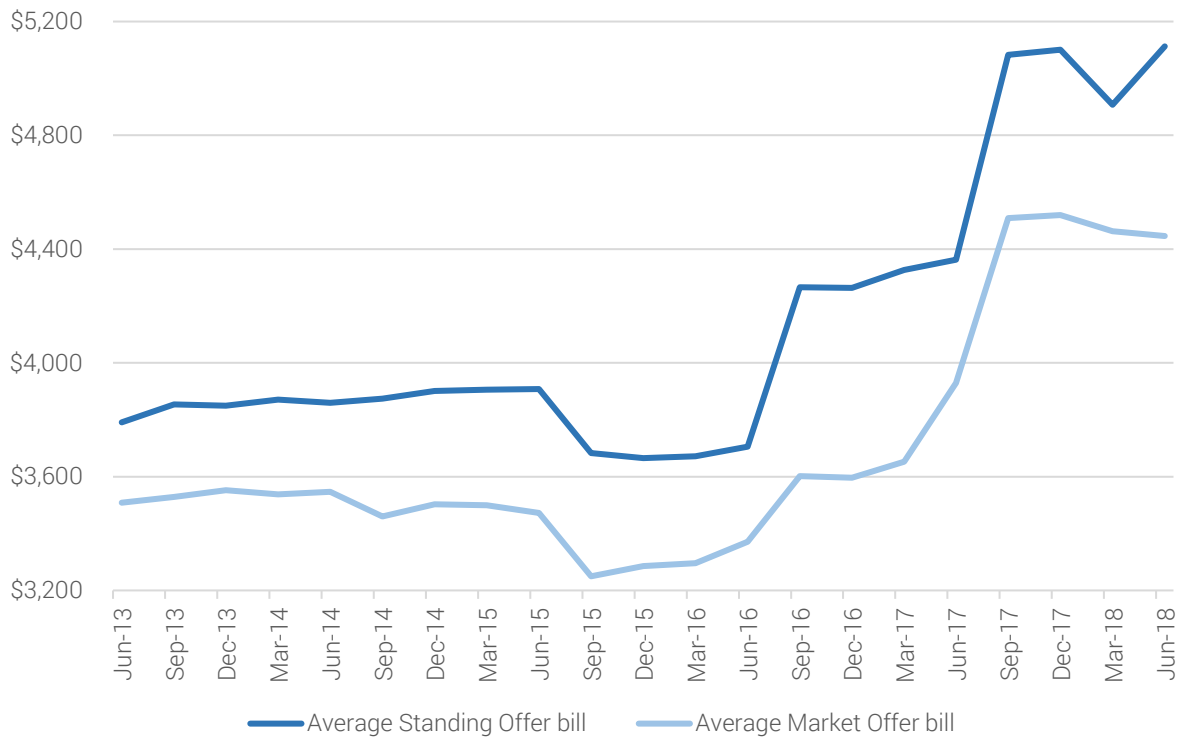
Retailers were differentiating their retail Market Offers in a variety of ways (for example, through retail tariffs, discounts, fees and charges, contract duration and sign-up incentives) resulting in price differences between Market Offers. Small business electricity customers can pay varying retail prices depending upon the contract selected, highlighting the importance of selecting the most suitable contract for their particular circumstances.

At 30 June 2018, the largest price difference was found across Origin Energy's retail Market Offers, where the estimated annual bill on different Market Offers was between \$4,081 and \$4,801 (a spread of \$720).

⁸ Refer Table 2-2 and Annexure D.

Figure 2-4 shows the movement of annual small business electricity retail Standing Offer and Market Offer bills between 30 June 2013 and 30 June 2018. It shows that the annual Standing Offer bill has increased by 34.9 percent (an increase of 6.2 percent per annum), and that the average annual Market Offer bill has increased by 26.7 percent (an increase of 4.8 percent per annum) over the period. The average discount between Standing Offers and Market Offers has increased from \$282 to \$667 over the five years.

Figure 2-4: Movements in the average annual electricity retail Standing and Market Offer bills for small business customers (\$nominal)



3 Gas retail offer prices

Key observations

For residential customers

- ▶ Average annual gas retail Standing Offer and Market Offer prices increased by 10 percent and three percent respectively over the 12 months to 30 June 2018.
- ▶ Residential retail Market Offers were generally priced at a discount to Standing Offers but the extent of discounting was less than that observed for residential electricity Market Offers. The discount between a retailer's Standing Offer and average Market Offer ranged from six percent to 21 percent.
- ▶ Residential customers on a retail Standing Offer could have saved between \$93 and \$306 had they switched to their retailer's lowest-priced Market Offer.
- ▶ At 30 June 2018, only Origin Energy actively marketed to regions outside of Adelaide. Origin Energy offered the same gas retail Standing Offer prices to their metropolitan and non-metropolitan residential customers.

For small business customers

- ▶ Average annual gas retail Standing Offer and Market Offer prices increased by 12 percent and six percent respectively over the 12 months to 30 June 2018.
- ▶ Small business retail Market Offers were generally priced at a discount to Standing Offers but the extent of discounting was less than that observed for small business electricity Market Offers. The discount between a retailer's Standing Offer and average Market Offer ranged from four percent to 24 percent.
- ▶ Small business customers on a retail Standing Offer could have saved between \$315 and \$1,725 had they switched to their retailer's lowest-priced Market Offer.

There are five distinct gas supply areas in South Australia. Origin Energy is currently the only gas retailer actively marketing to regions outside of Adelaide metropolitan area. The regions are Mount Gambier, Port Pirie, Riverland and Whyalla.

There was a wide range of discounts between the retail Standing Offer and the range of Market Offers provided by each gas retailer. The analysis in subsequent sections utilises an assumed consumption profile for a representative gas small customer, therefore all figures are indicative. Actual pricing outcomes for individual customers will depend on the amount of gas consumed, retail tariffs and the terms and conditions of the customer's retail contract.

As at 31 March 2018, approximately 88 percent of small gas customers in South Australia were on retail Market Offers (up from 86 percent as at 30 June 2017) with the remaining 12 percent of those customers on Standing Offers.

3.1 Residential gas retail offer prices

Figure 3-1 shows the average annual gas bill for a residential customer, based on available retail Standing Offer and Market Offer prices at 30 June 2017 and 30 June 2018, and the discount between the average Standing Offer and average Market Offer.

It shows that there were increases in both the average retail Standing Offer and Market Offer bills. However, the increase in the average Standing Offer bill of 10 percent (\$106) exceeded the three percent increase (\$30) in the average Market Offer bill. This increased the discount between the two types of offers from \$54 to \$131.

Figure 3-1: Average annual gas retail bill for metropolitan residential customers (\$nominal)

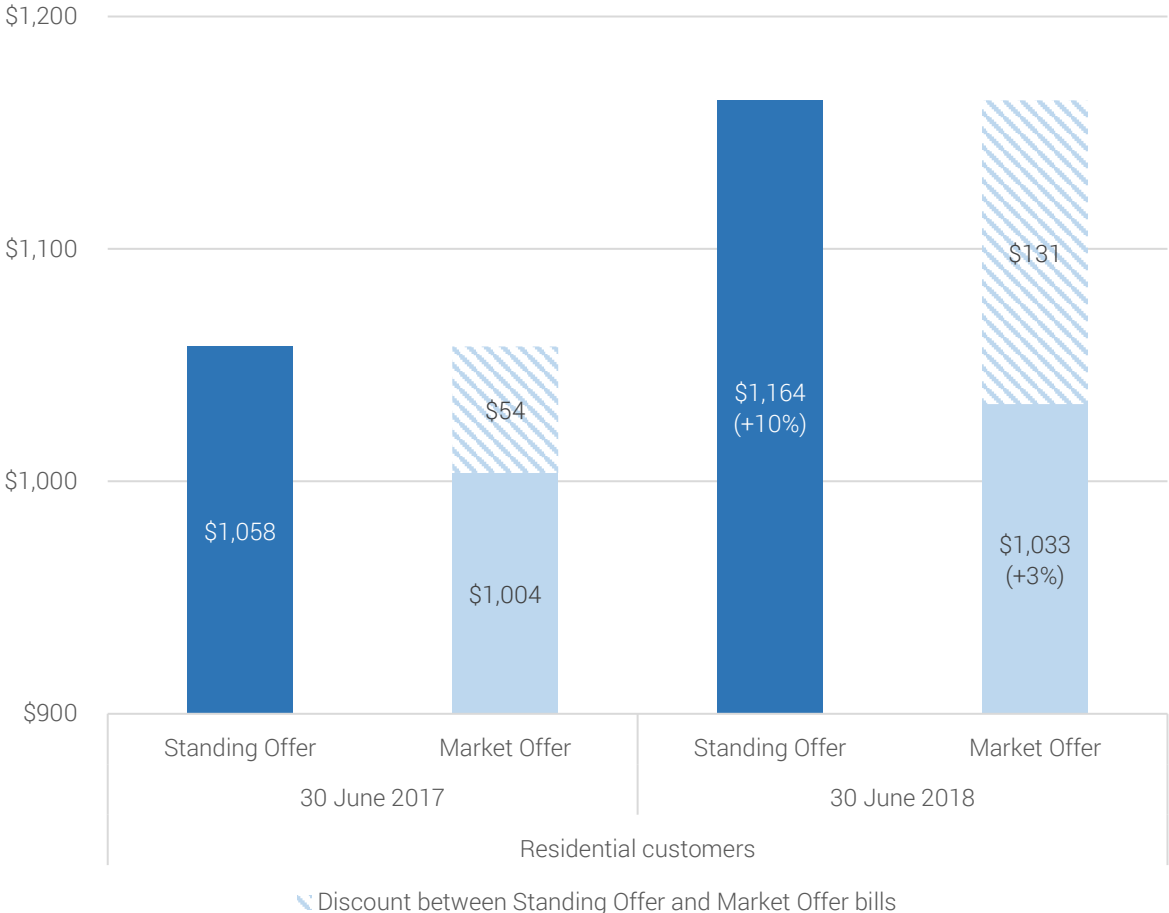


Table 3-1 shows the change in the estimated annual residential gas retail Standing Offer and lowest-priced Market Offer bills in the metropolitan region for each retailer between 30 June 2017 and 30 June 2018, and the discount between the average Standing Offer and average Market Offer.

Table 3-2 shows the change in the estimated annual residential gas retail Standing Offer bills in non-metropolitan regions for each retailer.

Annexure E provides a full data set of estimated annual gas retail bills for metropolitan residential customers on the lowest-priced Market Offer, highest-priced Market Offer, simple average Market Offer and Standing Offer bill for each retailer.

Table 3-1: Comparison of estimated annual gas retail bills for metropolitan residential customers (\$nominal)

Retailer	Standing Offer			Lowest-priced Market Offer			Difference between Standing Offer and lowest-priced Market Offer	
	30 June 2017	30 June 2018	% change	30 June 2017	30 June 2018	% change	30 June 2017	30 June 2018
AGL Energy	\$1,003	\$1,086	8	\$918	\$993	8	\$85	\$93
EnergyAustralia	\$1,134	\$1,251	10	\$983	\$1,036	5	\$151	\$215
Lumo Energy	-	\$1,235	-	-	\$929	-	-	\$306
Origin Energy	\$1,037	\$1,120	8	\$944	\$1,011	7	\$93	\$109
Red Energy		\$1,127	-	-	\$1,007	-	-	\$120
Simply Energy	-	-	-	-		-	-	-
Simple average	\$1,058	\$1,164	10	\$948	\$995	5	\$110	\$169

Table 3-2: Comparison of estimated annual gas retail bills for non-metropolitan residential customers (\$nominal)

Region	Retailer	Standing Offer		
		30 June 2017	30 June 2018	% change
Mount Gambier	AGL	-	-	-
	EnergyAustralia	-	-	-
	Origin Energy	\$1,037	\$1,120	8
	Simply Energy	-	-	-
	Simple average	\$1,037	\$1,120	8
Port Pirie	AGL	-	-	-
	EnergyAustralia	-	-	-
	Origin Energy	\$1,037	\$1,120	8
	Simply Energy	-	-	-
	Simple Average	\$1,037	\$1,120	8
Riverland	AGL	-	-	-
	EnergyAustralia	-	-	-
	Origin Energy	\$1,037	\$1,120	8
	Simply Energy	-	-	-
	Simple Average	\$1,037	\$1,120	8
Whyalla	AGL	-	-	-
	EnergyAustralia	-	-	-
	Origin Energy	\$1,037	\$1,120	8
	Simply Energy	-	-	-
	Simple Average	\$1,037	\$1,120	8

Note: Retail Standing Offer prices were not available for AGL Energy, and EnergyAustralia because they were not marketing to non-metropolitan residential gas customers. Simply Energy provides Standing Offers to non-metropolitan residential gas customers, but only if a customer purchases electricity from Simply Energy. Those conditional offers are therefore excluded from the table above.

The Commission's analysis of estimated annual residential gas retail bills⁹ at 30 June 2017 and 30 June 2018 indicates:

► **Origin Energy was offering metropolitan and non-metropolitan residential customers the same gas retail prices**

At 30 June 2018, only Origin Energy actively marketed to regions outside of Adelaide. Origin Energy offered the same gas retail Standing Offer prices to their metropolitan and non-metropolitan residential customers.

► **Increases in both metropolitan residential gas retail Standing Offer and Market Offer prices**

All of the gas retailers increased their retail Standing Offer prices.¹⁰ The increases ranged from eight percent (AGL Energy and Origin Energy) to 10 percent for EnergyAustralia. At 30 June 2018, AGL Energy had the lowest-priced Standing Offer annual bill at \$1,086 and EnergyAustralia had the highest-priced Standing Offer annual bill at \$1,251.

At 30 June 2018, Lumo Energy had the lowest-priced retail Market Offer annual bill at \$929 and Origin Energy had the highest-priced Market Offer annual bill at \$1,120.

► **Residential gas retail Market Offers were generally priced at a discount to Standing Offers but the extent of discounting was less than that observed for residential electricity Market Offers**

The discount between a retailer's Standing Offer and average Market Offer for the metropolitan region ranged from six percent (Origin Energy) to 21 percent (Lumo Energy). Residential gas customers could therefore save by moving from the Standing Offer to a Market Offer.

Residential gas customers on a retail Standing Offer could have saved between \$93 (AGL Energy) and \$306 (Lumo Energy) had they switched to their retailer's lowest-priced Market Offer.

► **There was a range of price difference between residential gas retail Market Offers, but the extent of price differentiation was less than that observed for residential electricity Market Offers**

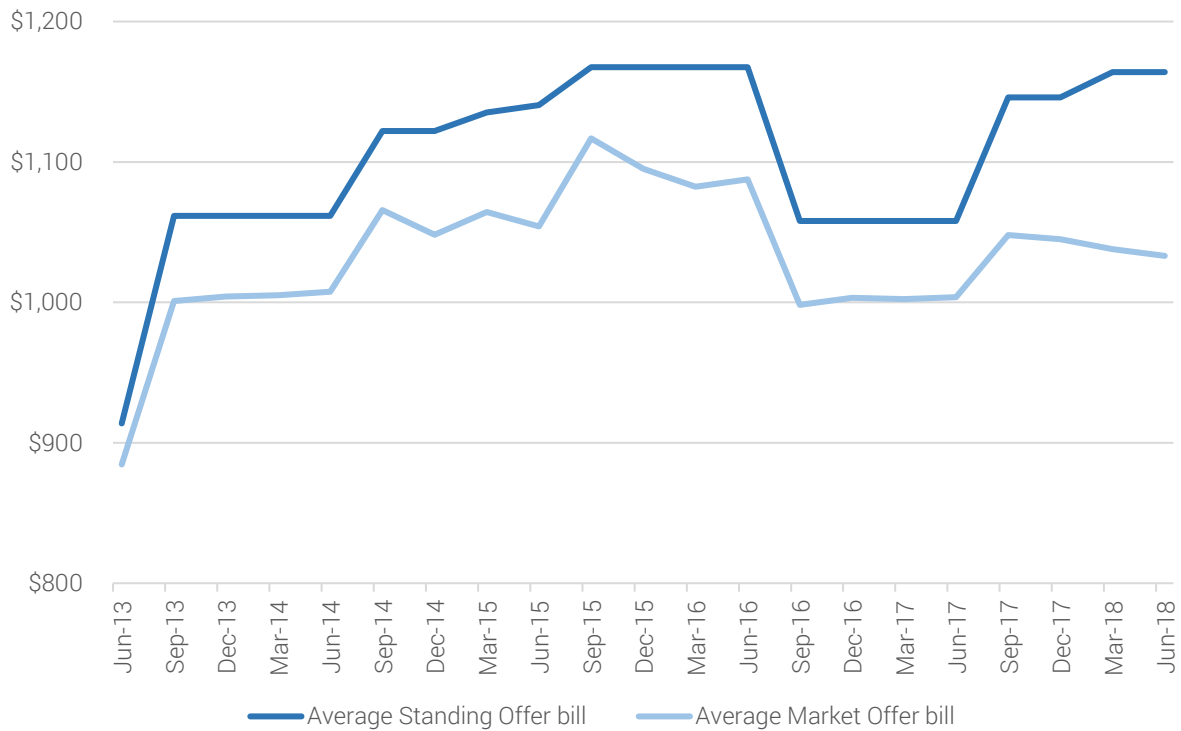
At 30 June 2018, the largest price difference was found across Lumo Energy's retail Market Offers, where the estimated annual bill on different Market Offers was between \$929 and \$1,085 (a spread of \$156).

⁹ Refer Tables 3-2 and 3-3 and Annexure E.

¹⁰ Simply Energy were only offering gas retail Standing Offers and Market Offers to residential customers who took offers for both electricity and gas on 30 June 2018.

Figure 3-2 shows the movement of annual metropolitan residential gas retail Standing Offer and Market Offer bills between 30 June 2013 and 30 June 2018. It shows that the average annual Standing Offer bill increased by 27.4 percent (an increase of 5.0 percent per annum), and that the average annual Market Offer bill increased by 16.8 percent (an increase of 3.2 percent per annum) over the period. The average discount between Standing Offers and Market Offers has increased from \$29 to \$131 over the five years.

Figure 3-2: Movements in the average annual gas retail Standing Offer and Market Offer bills for metropolitan residential customers (\$nominal)



3.2 Small business gas retail offer prices

Figure 3-3 shows the average annual gas bill for a small business customer, based on available retail Standing Offer and Market Offer prices at 30 June 2017 and 30 June 2018, and the discount between the average Standing Offer and average Market Offer.

It shows that there were increases in both the average annual retail Standing Offer and Market Offer bills. However, the increase in the average Standing Offer bill of 12 percent (\$717) exceeded the six percent increase (\$308) in the average Market Offer bill. This increased the discount between the two types of offers from \$233 to \$642.

Figure 3-3: Average annual gas retail bills for metropolitan small business customers (\$nominal)



Table 3-3 shows the change in the estimated annual small business gas retail Standing Offer and lowest-priced Market Offer annual bills for each retailer between 30 June 2017 and 30 June 2018.

Annexure F provides a full data set of estimated annual gas retail bills for small business gas customers on the lowest-priced Market Offer, highest-priced Market Offer, simple average Market Offer and Standing Offer bill for each retailer.

Table 3-3: Comparison of estimated annual gas retail bills for metropolitan small business customers (\$nominal)¹¹

Retailer	Standing Offer			Lowest-priced Market Offer			Difference between Standing Offer and lowest-priced Market Offer	
	30 June 2017	30 June 2018	% change	30 June 2017	30 June 2018	% change	30 June 2017	30 June 2018
AGL Energy	\$5,362	\$5,249	-2	\$5,054	\$4,934	-2	\$308	\$315
EnergyAustralia	\$5,951	\$6,839	15	\$4,998	\$5,658	13	\$953	\$1,181
Lumo Energy	-	\$7,250	-	-	\$5,525	-	-	\$1,725
Origin Energy	\$5,912	\$6,466	9	\$5,478	\$5,990	9	\$434	\$476
Red Energy	-	\$6,487	-	-	\$5,782	-	-	\$705
Simply Energy	-	-	-	-	-	-	-	-
Simple average	\$5,742	\$6,458	12	\$5,177	\$5,578	8	\$565	\$880

¹¹ Simply Energy does not retail gas to small business customers in South Australia.

The Commission's analysis of estimated annual small business gas retail bills¹² at 30 June 2017 and 30 June 2018 indicates:

- ▶ **Increases in the majority of small business gas retail Standing Offer and Market Offer prices**
EnergyAustralia and Origin Energy increased their small business retail Standing Offer prices by 15 percent and nine percent respectively.¹³ However, AGL Energy decreased its prices by two percent. At 30 June 2018, AGL Energy had the lowest-priced Standing Offer annual bill at \$5,429 and Lumo Energy had the highest-priced Standing Offer annual bill at \$7,250.

At 30 June 2018, AGL Energy had both the lowest-priced Market Offer annual bill and the highest-priced Market Offer annual bill at \$4,934 and \$7,061 respectively.

- ▶ **Small business gas retail Market Offers were generally priced at a discount to Standing Offers but the extent of discounting was less than that observed for small business electricity Market Offers**
The discount between a retailer's Standing Offer and average Market Offer ranged from four percent (Origin Energy) to 24 percent (Lumo Energy). Small business gas customers could therefore reduce their bills by moving from the Standing Offer to a Market Offer.

Small business gas customers on a Standing Offer could have saved between \$315 (AGL Energy) and \$1,725 (Lumo Energy) had they switched to their retailer's lowest-priced Market Offer.

- ▶ **There was a range of price difference between small business gas retail Market Offers but the extent of price differentiation was less than that observed for small business electricity Market Offers**

At 30 June 2018, the largest price difference was found across AGL Energy's retail Market Offers, where the estimated annual bill on different Market Offers was between \$4,934 and \$7,061 (a spread of \$2,127).

¹² Refer Table 3-3 and Annexure F.

¹³ Simply Energy was not retailing any gas Standing Offers and Market Offers to small business customers on 30 June 2018.

Figure 3-4 shows the movement of annual small business gas retail Standing Offer and Market Offer bills between 30 June 2013 and 30 June 2018. It shows that the average annual Standing Offer bill has increased by 37.4 percent (an increase of 6.6 percent per annum), and that the average annual Market Offer bill has increased by 24.2 percent (an increase of 4.4 percent per annum) over the period. The average discount between Standing Offers and Market Offers has increased from \$20 to \$642 over the five years.

Figure 3-4: Movements in the average annual gas retail Standing and Market Offer bills for metropolitan small business customers (\$nominal)



Annexure A Regulations

Electricity (General) Regulations 2012

12—Functions and powers of Commission

- (1) Pursuant to section 6A of the Act, the Commission has (in addition to the Commission's functions and powers under the Act and the *Essential Services Commission Act 2002*) the following functions and powers:
 - ...
 - (c) on or before 31 August in each year, to submit to the Minister and publish on its website a report prepared for the purposes of monitoring prices for the sale of electricity available to a small customer under the *National Energy Retail Law (South Australia)* during the immediately preceding financial year containing the information required by the Minister under subregulation (2).
- (2) The Minister may require the following information for the year to which the report relates to be included in a report prepared under subregulation (1)(c):
 - (a) comparisons of standing offer prices of NERL retailers generally available to classes of small customers in South Australia;
 - (b) estimates relating to the annual cost to a small customer of electricity supplied to the customer (based on a reasonable estimate of the average annual level of consumption of electricity by a small customer in South Australia) under each standard retail contract of NERL retailers generally available to classes of small customers in South Australia;
 - (c) details relating to the difference in annual cost to a small customer of electricity supplied to the customer (based on a reasonable estimate of the average annual level of consumption of electricity by a small customer in South Australia) under market offer prices of NERL retailers generally available to classes of small customers in South Australia compared to the cost to that customer under standing offer prices of NERL retailers generally available to classes of small customers in South Australia;
 - (d) such other information as the Minister requires in writing to be included.
- (3) The Minister may require the information referred to in subregulation (2) to be presented in such manner and form as the Minister considers appropriate, including in the form of variations or trends over time.
- (4) In this regulation—

Market Offer prices, Standard Retail contract and ***Standing Offer prices*** have the same respective meanings as in the *National Energy Retail Law*.

Gas Regulations 2012

6—Functions and powers of Commission

- (1) Pursuant to section 6A of the Act, the Commission has (in addition to the Commission's functions and powers under the Act and the *Essential Services Commission Act 2002*) the following functions:
 - ...
 - (b) on or before 31 August in each year, to submit to the Minister and publish on its website a report prepared for the purposes of monitoring prices for the sale of gas available to a small customer under the *National Energy Retail Law (South Australia)* during the immediately preceding financial year containing the information required by the Minister under subregulation (2).
- (2) The Minister may require the following information for the year to which the report relates to be included in a report prepared under subregulation (1)(b):
 - (a) comparisons of standing offer prices of NERL retailers generally available to classes of small customers in South Australia;
 - (b) estimates relating to the annual cost to a small customer of gas supplied to the customer (based on a reasonable estimate of the average annual level of consumption of gas by a small customer in South Australia) under each standard retail contract of NERL retailers generally available to classes of small customers in South Australia;
 - (c) details relating to the difference in annual cost to a small customer of gas supplied to the customer (based on a reasonable estimate of the average annual level of consumption of gas by a small customer in South Australia) under market offer prices of NERL retailers generally available to classes of small customers in South Australia compared to the cost to that customer under standing offer prices of NERL retailers generally available to classes of small customers in South Australia;
 - (d) such other information as the Minister requires in writing to be included.
- (3) The Minister may require the information referred to in subregulation (2) to be presented in such manner and form as the Minister considers appropriate, including in the form of variations or trends over time.
- (4) In this regulation—
Market Offer prices, Standard Retail contract and ***Standing Offer prices*** have the same respective meanings as in the *National Energy Retail Law*.

Annexure B Assumptions and limitations

B.1 Data sources

Electricity and gas pricing data have been sourced from the database that underlies the Australian Energy Regulator's 'Energy Made Easy' online price comparison service,¹⁴ supplemented or confirmed with information from retailers (either directly or from retailers' websites and price fact sheets).

All 'open' and 'available' Standing Offer and Market Offer data were downloaded from the 'Energy Made Easy' website (or as otherwise indicated) on, or as near as possible to, the last business day of each quarter.

As this analysis takes a snapshot of the market at a particular time, the conclusions drawn in this Report only apply to the market at the end of June for 2017 and 2018. Current offers are available on the Australian Energy Regulator's Energy Made Easy website.

B.2 Energy product analysis methodology

In this Report, annual bill estimates were determined from the individual tariff information schedules contained in each retailer's offers, based on the energy consumption profiles assumed below.

Annual bill estimates reflecting individual offers for electricity and gas are analysed separately.

B2.1 Timing of analysis

This Report has adopted a 'point in time' approach to the analysis of energy retail offer prices; where comparisons are made between time periods. Only those offers available on a particular date (that is, the last day of the period under review) are included in the analysis, as opposed to including all offers which might have been available throughout the period of review.

B2.2 Contract timing assumptions

For the purposes of calculating annual bills, it is assumed that a customer enters into a contract based upon the terms, conditions and retail offer prices that applied on the final business day of the quarter, and will have taken advantage of all discounts and cash incentives available at that time.

All retail offer prices and values are quoted in nominal terms and have not been adjusted for inflation.

B2.3 Single-rate and two-rate offers

Electricity offers may include either single-rate or two-rate¹⁵ contract offerings. However, the analysis of estimated annual bills focuses only on peak rates and does not include off peak consumption.

B2.4 Average values

All averages quoted in this Report are simple (unweighted) averages.

¹⁴ The Australian Energy Regulator's energy price comparison service can be accessed at: www.energymadeeasy.gov.au.

¹⁵ 'Two-rate' offers include daily tariffs that reflect both normal 'peak' consumption tariffs as well as 'off-peak' consumption tariffs known as off-peak controlled load.

Where relevant, the simple (or unweighted) overall average is determined using the following two-step process:

1. calculate the simple average of each individual retailer's portfolio of relevant offers, and
2. calculate the simple average of all of the individual retailers' averaged results (that is, the results from step 1).

B.3 Annual bills are GST-inclusive

All retail offer prices, tariffs and calculated annual bills in this Report are quoted inclusive of Goods and Services Tax (GST) unless otherwise specified.

B.4 Electricity consumption profiles

The annual consumption assumed for electricity customers is:

- ▶ for residential customers: 5,000 Kilowatt hour
- ▶ for small business customers: 10,000 Kilowatt hour.

These annual average consumption profiles are generally consistent with the average historical consumption of electricity by small customers in South Australia, and are consistent with the average consumption figures used in previous Ministerial Pricing Reports. These profiles, however, are based on small customers' consumption behaviour that was evident prior to the growth of solar roof-top photovoltaic generation, the continuing penetration of energy efficient appliances, changing customer behaviour and lower demand. The combination of these factors has contributed to an overall reduction in demand since these historical averages were originally determined. However, the Commission has retained these consumption profiles to provide consistency of reporting on annual bills over time.

B.5 Gas consumption profiles

The annual consumption assumed for gas customers is:

- ▶ for residential customers: 21,000 Megajoule
- ▶ for small business customers: 190,000 Megajoule.

These annual average consumption profiles are generally consistent with the average historical consumption of gas by small customers in South Australia, and are consistent with the average consumption figures used in previous Reports. The Commission has retained these consumption profiles to provide consistency of reporting on annual bills over time.

B.6 Number of days in the period

For this analysis, as in previous Reports, the simplifying assumptions of a 365 day year and equal quarters (of 91.25 days) is used.

B.7 Dual fuel offers

Offers that combine both electricity and gas products (referred to as 'dual fuel' offers) are not included in the analysis, except to the extent that it can be easily attributed to either a gas or electricity product.

B.8 Small business time-of-use tariffs

Time-of-use tariffs are excluded from this analysis.

B.9 Maximum demand tariffs

Maximum demand tariffs are excluded from this analysis.

B.10 Treatment of discounts/benefits

Electricity and gas retail contracts contain various price and non-price aspects. In estimating annual energy bills, the Commission has used the following approach:

- ▶ all price discounts (for example, discounts for direct debit payment, payment of bills on time, cash rebates) offered by energy retailers are incorporated into the annual bill estimates, and
- ▶ any non-cash benefits offered (for example, restricted product or service vouchers) that have not been quantified are not incorporated into the annual bill estimates.

Cash rebates and cash equivalent discounts, for this Report, are deducted from the post-GST calculation of the final annual bill, as they are inclusive of GST.

B.11 Treatment of fees and charges

Account establishment fees, credit card fees and other similar fees charged by retailers have been excluded from the annual bill estimates. Early termination fees have also been excluded.

B.12 Green energy options

Customers can choose to add an accredited 'GreenPower' renewable energy component to Market Offers, ranging from the equivalent of 10 percent to 100 percent of the energy consumed.

The analysis of estimated annual bills does not include the additional cost of any green energy component. Green energy has only been included if the Market Offer indicates that it is supplied at no additional cost.

The analysis of the green energy component of Market Offers is limited to a comparison of the additional cost of adding various 'green energy' options to individual Market Offers.¹⁶

B.13 Feed-in tariffs

Some customers may also receive Retailer Feed-In Tariffs (**R-FiT**) from their retailer in addition to those payable by SA Power Networks for energy exported from eligible roof-top solar photovoltaic generators. Estimated annual bill information is limited to consumption tariffs and, therefore, excludes potential R-FiT benefits.

Notwithstanding the above, a listing of the various R-FiT payments made by retailers is provided in Annexure G.

¹⁶ Refer to Annexure I of this report.

Annexure C Comparison of estimated annual bills for residential electricity customers (\$nominal)

Retailer	30 June 2017				30 June 2018			
	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer
AGL	\$2,050	\$1,803	\$1,865	\$1,841	\$2,423	\$2,089	\$2,423	\$2,221
Alinta Energy	\$2,432	\$1,768	\$2,017	\$1,893	\$2,648	\$2,083	\$2,083	\$2,083
amaysim Energy	-	-	-	-	\$3,017	\$2,112	\$2,172	\$2,152
BlueNRG	\$3,199	\$2,624	\$2,624	\$2,624	\$3,199	\$2,701	\$2,701	\$2,701
Click Energy	\$2,321	\$1,834	\$2,201	\$2,040	\$3,017	\$2,263	\$2,534	\$2,363
Diamond Energy	\$2,078	\$1,954	\$2,078	\$1,995	\$2,322	\$2,090	\$2,322	\$2,167
EnergyAustralia	\$2,314	\$1,811	\$2,147	\$1,991	\$2,801	\$2,247	\$2,436	\$2,342
Lumo Energy	\$2,120	\$2,097	\$2,393	\$2,205	\$2,612	\$2,047	\$2,393	\$2,161
M2 Energy (Commander)	\$2,101	\$1,738	\$1,738	\$1,738	\$2,874	\$2,156	\$2,156	\$2,156
M2 Energy (Dodo)	\$2,184	\$1,709	\$1,709	\$1,709	\$2,982	\$2,114	\$2,114	\$2,114
Momentum Energy	\$2,243	\$2,243	\$2,243	\$2,243	\$2,479	\$2,387	\$2,430	\$2,409
Origin Energy	\$2,049	\$1,766	\$2,049	\$1,920	\$2,382	\$2,054	\$2,382	\$2,184
Pacific Hydro	\$2,163	-	-	-	\$2,163	-	-	-
Powerdirect	\$2,043	\$1,730	\$1,730	\$1,730	\$2,423	\$2,089	\$2,089	\$2,089
QEnergy	\$2,297	-	-	-	\$2,678	-	-	-
Red Energy	\$2,120	\$1,871	\$1,871	\$1,871	\$2,612	\$2,220	\$2,467	\$2,302
Sanctuary Energy	\$1,936	-	-	-	\$2,226	-	-	-
Simply Energy	\$2,083	\$1,809	\$1,900	\$1,870	\$2,479	\$2,049	\$2,264	\$2,217
Tango Energy	-	-	-	-	\$2,529	-	-	-
Simple average	\$2,220	\$1,911	\$2,040	\$1,976	\$2,625	\$2,180	\$2,331	\$2,244

Annexure D Comparison of estimated annual bills for small business electricity customers (\$nominal)

Retailer	30 June 2017				30 June 2018			
	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer
AGL	\$4,184	\$3,135	\$3,563	\$3,437	\$5,095	\$4,017	\$4,433	\$4,263
Alinta Energy	\$5,056	\$3,559	\$4,120	\$3,828	\$5,273	\$3,907	\$3,907	\$3,907
amaysim Energy	-	-	-	-	\$5,391	\$4,529	\$4,529	\$4,529
BlueNRG	\$6,197	\$5,022	\$5,022	\$5,022	\$6,197	\$4,802	\$4,802	\$4,802
Click Energy	\$4,188	\$3,739	\$3,739	\$3,739	\$5,391	-	-	-
Diamond Energy	\$4,127	\$3,879	\$4,127	\$3,962	\$4,753	\$4,277	\$4,753	\$4,436
EnergyAustralia	\$4,616	\$3,504	\$4,332	\$3,841	\$5,605	\$4,527	\$4,639	\$4,598
ERM Power Retail Pty Ltd	\$4,529	\$5,229	\$5,278	\$5,254	\$4,529	\$5,229	\$5,278	\$5,254
Lumo Energy	\$3,922	\$4,018	\$4,065	\$4,042	\$5,008	\$3,882	\$4,018	\$3,950
M2 Energy (Commander)	\$4,171	\$3,397	\$3,397	\$3,397	\$5,714	\$4,227	\$4,227	\$4,227
Momentum Energy	\$4,284	\$3,366	\$4,284	\$3,891	\$5,023	\$4,829	\$4,922	\$4,876
Origin Energy	\$4,173	\$3,399	\$4,173	\$3,670	\$4,801	\$4,081	\$4,801	\$4,329
Pacific Hydro	\$3,780	-	-	-	\$3,780	-	-	-
Powerdirect	\$4,505	\$3,877	\$3,943	\$3,910	\$5,095	\$4,339	\$4,339	\$4,339
QEnergy	\$4,123	\$0	\$0	\$0	\$5,211	-	-	-
Red Energy	\$3,922	\$3,461	\$3,461	\$3,461	\$5,008	\$4,418	\$4,418	\$4,418
Simply Energy	\$4,028	\$3,471	\$3,656	\$3,564	\$4,843	\$4,168	\$4,393	\$4,318
Tango Energy	-	-	-	-	\$5,311	-	-	-
Simple average	\$4,363	\$3,790	\$4,083	\$3,930	\$5,113	\$4,374	\$4,533	\$4,446

Annexure E Comparison of estimated annual bills for metropolitan residential gas customers (\$nominal)

Retailer	30 June 2017				30 June 2018			
	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer
AGL Energy	\$1,003	\$918	\$1,029	\$989	\$1,086	\$993	\$1,042	\$1,011
EnergyAustralia	\$1,134	\$983	\$1,101	\$1,035	\$1,251	\$1,036	\$1,116	\$1,076
Lumo Energy	-	-	-	-	\$1,235	\$929	\$1,085	\$982
Origin Energy	\$1,037	\$944	\$1,037	\$986	\$1,120	\$1,011	\$1,120	\$1,053
Red Energy	-	-	-	-	\$1,127	\$1,007	\$1,119	\$1,044
Simply Energy	-	-	-	-	-	-	-	-
Simple average	\$1,058	\$948	\$1,056	\$1,004	\$1,164	\$995	\$1,096	\$1,033

Annexure F Comparison of estimated annual bills for metropolitan small business gas customers (\$nominal)

Retailer	30 June 2017				30 June 2018			
	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer
AGL Energy	\$5,362	\$5,054	\$5,841	\$5,537	\$5,249	\$4,934	\$7,061	\$5,652
EnergyAustralia	\$5,951	\$4,998	\$5,778	\$5,293	\$6,839	\$5,658	\$6,270	\$5,923
Lumo Energy	-	-	-	-	\$7,250	\$5,525	\$5,525	\$5,525
Origin Energy	\$5,912	\$5,478	\$5,912	\$5,695	\$6,466	\$5,990	\$6,466	\$6,200
Red Energy	-	-	-	-	\$6,487	\$5,782	\$5,782	\$5,782
Simply Energy	-	-	-	-	-	-	-	-
Simple average	\$5,742	\$5,177	\$5,844	\$5,508	\$6,458	\$5,578	\$6,221	\$5,816

Annexure G Retailer feed-in tariffs (R-FiT)

Under the South Australian feed-in tariff scheme, residential and small business customers with a qualifying photovoltaic generation unit are entitled to receive a Retailer-paid component of the solar feed-in tariff from their retailer for the electricity exported to the grid by their solar photovoltaic generation generators.

In December 2016, the Commission determined that it will not set a minimum amount for the purposes of the Retailer-paid component of the solar feed-in tariff scheme from 1 January 2017. That decision represented a change from the Commission's past practice of setting a minimum amount.¹⁷ Prior to that, the most recent determination had required retailers to pay eligible solar customers a minimum of 6.8 cents per kilowatt hour for electricity exported to the distribution network up to, and including, 31 December 2016.

To ensure retailers recognise the benefit of feed-in electricity and continue to offer a Retailer-paid component of the solar feed-in tariff to solar photovoltaic customers, the Commission implemented a Retailer-paid component of the solar feed-in tariff monitoring regime.¹⁸ If evidence arises to show that the benefit of feed-in electricity by solar customers is not being recognised by retailers, the Commission may re-set a minimum price for the Retailer-paid component of the solar feed-in tariff under the Electricity Act 1996.

Incidence of Retailer-paid component of the solar feed-in tariff payments

A variety of offerings may be indicative of a competitive market, particularly where there are offers above the minimum amount. However, the Commission stresses that focussing on Retailer-paid component of the solar feed-in tariff amounts alone does not reveal the full value of a Market Offer to a solar customer; it is equally important to consider the terms and conditions associated with those Retailer-paid component of the solar feed-in tariff amounts and the purchase price of energy offered by a retailer.

Table G-1 compares the Retailer-paid component of the solar feed-in tariff amounts paid by the 19 retailers retailing to solar customers from 30 June 2016 to 30 June 2018.

¹⁷ Essential Services Commission, *Retailer feed-in tariff – Review of regulatory arrangements – Final decision*, 20 December 2016, available at: <http://www.escosa.sa.gov.au/projects-and-publications/projects/electricity/electricity-retailer-feed-in-tariff-review-of-regulatory-arrangements/sa-electricity-retailer-feed-in-tariff-review-of-regulatory-arrangements>.

¹⁸ Essential Services Commission, *Monitoring of Retailer Feed-In Tariffs – Fact sheet*, 28 April 2017, available at: <http://www.escosa.sa.gov.au/projects-and-publications/projects/electricity/electricity-retailer-feed-in-tariff-review-of-regulatory-arrangements/sa-electricity-retailer-feed-in-tariff-review-of-regulatory-arrangements>.

Annexure G-1: Retailer-paid component of the solar feed-in tariff amounts paid by electricity retailers (cents per kilowatt hour, GST exclusive) (\$nominal)

Retailer	30 June 2016	30 June 2017	30 June 2018
AGL Energy	6.8	6.8	16.3 to 20.0
Alinta Energy	6.8	6.8	6.8
amaysim Energy	-	-	20.0
Click Energy	8.0 to 12.0	8.0 to 12.0	15.0 to 22.0
Diamond Energy	8.0	8.0	12.0
EnergyAustralia	6.8	8.2	15.0
ERM Power Retail Pty Ltd	6.8	6.8	6.8
Lumo Energy	7.0	7.0 to 16.0	16.0
M2 Energy (Commander)	7.0	7.0	11.6
M2 Energy (Dodo)	7.0	7.0	11.6
Momentum Energy	6.8	6.8	6.8
Origin Energy [^]	6.8	6.8 to 12	11 to 20.0
Powerdirect	8.0	6.8 - 8	16.3
QEnergy*	6.8	-	-
Red Energy*	6.8	16.0	16.0
Sanctuary Energy*	6.8	6.8	6.8
Simply Energy	6.8	6.8	17.0

Note: * While QEnergy, Pacific Hydro, Sanctuary Energy generally do not actively market to residential solar photovoltaic customers, they were still obliged to pay the minimum Retailer-paid component of the solar feed-in tariff value of 6.8 cents per kWh to their solar photovoltaic customers up to, and including, 31 December 2016.

[^] Origin Energy also offers 12 cents per kilowatt hour, but only to customers who purchase an eligible solar system through Origin Energy.

Incidence of best priced market offers available to solar customers

Table G-2 and G-3 shows that most retailers were not discriminating between solar and non-solar customers and that the majority of retailers were making their best-priced Market Offer available to solar customers.

For residential customers, 12 out of the 14 retailers retailing to solar customers were making their best-priced Market Offer available to those customers. The only exception was amaysim Energy and Click Energy, where the best-priced solar Market Offer was higher than the comparable non-solar Market Offer.

For small business customers, all of the 18 retailers retailing to solar customers were making their best-priced Market Offer available to those customers.

Annexure G-2: Retailers' available Market Offers to South Australian residential customers and price difference between best-priced solar and non-solar Market Offers as at 30 June 2018 (GST inclusive) (\$nominal)

Retailer	Available Market Offers	Available solar Market Offers	Best-priced Market Offer	Best-priced solar Market Offer	Price difference
AGL Energy	5	5	\$2,089	\$2,089	-
Alinta Energy	1	1	\$2,083	\$2,083	-
amaysim Energy	3	1	\$2,112	\$2,172	\$60
BlueNRG	1	-	\$2,701	-	-
Click Energy	3	2	\$2,263	\$2,293	\$30
Diamond Energy	3	1	\$2,090	\$2,090	-
EnergyAustralia	2	2	\$2,247	\$2,247	-
Lumo Energy	4	4	\$2,047	\$2,047	-
M2 Energy (Commander)	1	1	\$2,156	\$2,156	-
M2 Energy (Dodo)	1	1	\$2,114	\$2,114	-
Momentum Energy	2	2	\$2,387	\$2,387	-
Origin Energy	6	6	\$2,054	\$2,054	-
Pacific Hydro	-	-	-	-	-
Powerdirect	1	1	\$2,089	\$2,089	-
QEnergy	-	-	-	-	-
Red Energy	3	3	\$2,220	\$2,220	-
Sanctuary Energy	-	-	-	-	-
Simply Energy	12	12	\$2,049	\$2,049	-
Tango Energy	-	-	-	-	-

Annexure G-3: Retailers' available Market Offers to South Australian small business customers and price difference between best-priced solar and non-solar Market Offers as at 30 June 2018 (GST inclusive) (\$nominal)

Retailer	Available Market Offers	Available solar Market Offers	Best-priced Market Offer	Best-priced solar Market Offer	Price difference
AGL Energy	3	3	\$4,017	\$4,017	-
Alinta Energy	2	2	\$3,907	\$3,907	-
amaysim Energy	1	-	\$4,529	-	-
BlueNRG	1	-	\$4,802	-	-
Click Energy	-	-	-	-	-
Diamond Energy	3	1	\$4,277	\$4,277	-
EnergyAustralia	3	3	\$4,527	\$4,527	-
ERM Power	2	2	\$5,229	\$5,229	-
Lumo Energy	2	2	\$3,882	\$3,882	-
M2 Energy (Commander)	1	1	\$4,227	\$4,227	-
Momentum Energy	2	2	\$4,829	\$4,829	-
Origin Energy	5	5	\$4,081	\$4,081	-
Pacific Hydro	-	-	-	-	-
Powerdirect	2	2	\$4,339	\$4,339	-
QEnergy	-	-	-	-	-
Red Energy	1	1	\$4,418	\$4,418	-
Simply Energy	6	6	\$4,168	\$4,168	-
Tango Energy	-	-	-	-	-

Annexure H Off-peak controlled load offers

Off-Peak Controlled Load offers include an off-peak tariff at a lower rate than the peak rate. This is mainly utilised by residential customers with electric hot water services, who wish to heat their water overnight at a cheaper rate.

Table H-1 and Table H-2 compare the controlled load tariffs (first tier only) for residential and small business Standing Offers. Typical consumption¹⁹ is well within the quantities allowed in the first tier for all offers (approximately 2,000 kilowatt hour per quarter).

Table H-1: Comparison of residential Standing Offer Off-Peak Controlled Load tier one tariffs (cents per kilowatt hour, GST inclusive) (\$nominal)

Retailer	30 June 2017	30 June 2018	% change
AGL Energy	16.89	24.20	43
Alinta Energy	22.25	24.23	9
amaysim Energy	-	43.12	-
BlueNRG	38.50	38.50	0
Click Energy	28.16	43.12	53
Diamond Energy	17.58	21.95	25
EnergyAustralia	16.41	19.16	17
Lumo Energy	17.28	22.77	32
M2 Energy (Commander)	17.71	27.21	54
M2 Energy (Dodo)	17.82	28.38	59
Momentum Energy	27.47	24.08	-12
Origin Energy	16.72	21.18	27
Pacific Hydro	19.15	-	-
Powerdirect	18.15	22.00	21
QEnergy	-	38.92	-
Red Energy	17.28	22.77	32
Sanctuary Energy	15.50	17.82	15
Simply Energy	22.79	42.01	84
Tango Energy	-	25.30	-

¹⁹ Typical consumption is around 2,500 kilowatt hour per year, Source: SA Power Networks.

Table H-2: Comparison of small business Standing Offer Off-Peak Controlled Load tier one tariffs (cents per kilowatt hour, GST inclusive) (\$nominal)

Retailer	30 June 2017	30 June 2018	% change
AGL Energy	13.98	24.20	73
Alinta Energy	15.04	22.61	50
amaysim Energy	-	43.12	-
Click Energy	N/A	43.55	-
Diamond Energy	16.15	21.95	36
EnergyAustralia	16.20	19.16	18
M2 Energy (Commander)	14.41	28.68	99
M2 Energy (Dodo)	15.07	28.38	88
Momentum Energy	19.06	-	-
Origin Energy	15.25	21.18	39
Pacific Hydro	17.30	-	-
Powerdirect	15.74	24.20	54
QEnergy	-	-	-
Red Energy	N/A	22.77	-
Sanctuary Energy	-	-	-
Simply Energy	15.79	-	-
Urth Energy	-	-	-
Tango Energy	-	24.20	-

Annexure I Green energy options

At 30 June 2018, nine of the 19 electricity retailers were offering renewable energy 'green energy' options. Those options ranged from 10 percent to 100 percent, and are approved under the National GreenPower Accreditation Program. The remaining nine retailers did not offer any green energy options.

Most retailers offer green energy options for an additional cost to their existing Market Offers. The only exceptions were Click Energy where the cost of green energy was embedded within its electricity tariffs.

A summary of the green energy Market Offers available at 30 June 2017 and 30 June 2018 is set out in Tables I-1 and I-2 below.

Table I-1: Additional annual costs of green energy options for residential electricity Market Offers (GST inclusive) (\$nominal)

Retailer	Green Power Component %	Additional cost 30 June 2017	Additional cost 30 June 2018	Comments
AGL	10	\$57	\$57	
	20	\$94	\$94	
	100	\$275	\$275	
Click Energy	25	-	-	Green energy charges are incorporated into the usage rates
Diamond Energy	20	\$55	\$55	
	50	\$138	\$138	
	100	\$275	\$275	
M2 Energy (Dodo)	10	\$50	\$50	
	100	\$495	\$495	
EnergyAustralia	10	\$42	\$25	
	20	\$85	\$50	
	100	\$424	\$248	
Lumo Energy	10	-	\$330	
Origin Energy	25	\$104	\$104	
	50	\$141	\$141	
	100	\$281	\$281	
QEnergy	10	-	\$33	
	50	-	\$165	
	100	-	\$330	
Red Energy	100	\$292	\$292	



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