Essential Services Commission of South Australia

Energy

Energy Retail Price Offers Comparison Report 2018-19

Report to the Minister for Energy and Mining

August 2019

Enquiries concerning this Energy Retail Price Offers Comparison Report 2018-19 should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

Telephone: (08) 8463 4444
Freecall: 1800 633 592 (SA and mobiles only)
E-mail: escosa@escosa.sa.gov.au

Table of Contents

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: (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: ▶ for residential customers: 5,000 kWh ▶ for small business customers: 10,000 kWh
Gas customer	The annual consumption assumed for gas customers is: ▶ 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
National Energy Retail Law	National Energy Retail Law (South Australia) Act 2011
NERL retailers	Energy retailers authorised to sell electricity and gas 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). 2018-19 Energy Retail Price Offer Comparison Report.
Retailers	Energy retailers authorised to sell electricity and gas 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 hours 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 In practice, a solar customer may purchase electricity from a retailer and export electricity, purchase electricity only or export electricity only.
Simple Average	The mean of a group of numbers, calculated as the sum of a group of numbers, divided by the number of observations
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 Price Offers Comparison Report (**Report**). This 2018-19 Report compares electricity and gas retail price offers available to South Australian residential and small business customers during the period 30 June 2018 to 30 June 2019.

The Report provides a snapshot of energy retail price 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 price offers in South Australia.

This Report does not consider recent electricity and gas price movements which may have occurred after 30 June 2019, or after the introduction of the Default Market Offer by the Australian Energy Regulator, effective from 1 July 2019.[1]

The key observations on energy retail offer price movements over the 12 months to 30 June 2019 are set out below.

Average annual residential electricity retail Standing Offer prices remained relatively unchanged but Market Offer prices fell over the 12 months to 30 June 2019. Both average annual small business electricity retail Standing Offer and Market Offer prices fell over the same period

- Average annual residential electricity retail Standing Offer prices remained relatively unchanged (-0.04 percent) but Market Offer prices fell by three percent over the 12 months to 30 June 2019. This is equivalent to an average annual bill reduction of $62 for a customer on a Market Offer. This increased the average discount between the two types of offers from $381 to $442.
- Average annual small business electricity retail Standing Offer and Market Offer prices fell by one percent and three percent respectively over the same period. This is equivalent to an average annual bill reduction of $73 for a small business customer on a Standing Offer, and a $141 reduction for a customer on a Market Offer. This increased the average discount between the two types of offers from $667 to $734.

Average annual residential gas retail Standing Offer and Market Offer prices both fell over the 12 months to 30 June 2019. Average annual small business gas retail Standing Offer prices increased but average annual retail Market Offer prices fell over the same period

- Average annual residential gas retail Standing Offer and Market Offer prices both fell by two percent over the 12 months to 30 June 2019. This is equivalent to an average annual bill reduction of $26 for a residential customer on a Standing Offer, and a $21 reduction for a customer on a Market Offer. This reduced the average discount between the two types of offers from $131 to $126.
- At 30 June 2019, 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.

[1] Further information on the introduction of Default Market Offer from 1 July 2019 can be accessed from the Australian Energy Regulatory website at: https://www.aer.gov.au/news-release/aer-issues-default-market-offer-decision.

- Average annual small business gas retail Standing Offer prices increased by one percent but average annual retail Market Offer prices fell by one percent over the same period. This is equivalent to an average annual bill increase of $64 for a small business customer on a Standing Offer, and a $63 reduction for a customer on a Market Offer. This increased the average discount between the two types of offers from $642 to $768.

Market Offers were generally priced at a discount to Standing Offer prices and the extent of discounting increased in 2018-19

- 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 one percent to 30 percent. For small business customers, the available discount ranged from one percent to 25 percent.
- Gas retail Market Offers were also generally priced at a discount to Standing Offers. For residential customers, the discount between a retailer's Standing Offer and their average Market Offer ranged from six percent to 20 percent. For small business customers, the available discount ranged from four percent to 23 percent.

Customers can save by shopping around for a better energy retail price 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 2019, where a retailer discounted a retail Market Offer against its Standing Offer, residential electricity customers on a Standing Offer could have saved between $20 and $1,060 per annum had they switched to their retailer's lowest-priced Market Offer.
- At 30 June 2019, where a retailer discounted a retail Market Offer against its Standing Offer, residential gas customers on a Standing Offer could have saved between $110 and $270 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.

South Australian solar customers had a choice of offers available to them and electricity retailers were recognising the benefit of fed-in solar electricity

- At 30 June 2019, R-FiTs ranged from 6.8 cents to 23 cents per kWh.
- The available evidence shows that South Australian solar customers had a choice of offers available to them and were not paying more for electricity than non-solar customers. Further, electricity retailers were recognising the benefit of fed-in solar electricity through offering a R-FiT to solar customers. This suggests that the Commission does not need to re-set a minimum R-FiT at this stage.
- The Commission will continue to monitor retail offers to solar customers to inform itself on whether or not solar customers can access electricity offers comparable with those of non-solar customers and/or electricity retailers are offering R-FiTs to solar customers that reflect average wholesale electricity prices.

1 Introduction

Pursuant to the regulations issued 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 Price Offers Comparison Report (**Report**) for South Australian residential and small business customers. This is the seventh annual Report provided to the Minister.[2]

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.[3] 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.

Under the Regulations, the Report must include:

- the range of retail Standing Offer prices generally available to small customers[4]
- 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.[5]

The 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 at 30 June 2018 and 30 June 2019.

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 annual consumptions assumed for electricity and gas customers are:

- for residential electricity customers: 5,000 kWh
- for small business electricity customers: 10,000 kWh
- for residential gas customers: 21,000 MJ, and
- for small business gas customers: 190,000 MJ.

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.

---

2 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.

3 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.

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

5 No additional matters have been specified by the Minister for the purposes of 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 consider electricity and gas price movements which may have occurred after 30 June 2019, or after the introduction of the Default Market Offer by the Australian Energy Regulator, effective from 1 July 2019.

1.1 Energy retailers included in this Report

This Report provides information on offers available from energy retailers authorised under the National Energy Retail Law (South Australia) Act 2011 to (**National Energy Retail Law**) South Australian residential and small business customers. 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 as at 30 June 2019. Three new retailers (Energy Locals, Powerclub and Powershop), entered the South Australian electricity retail market, and three retailers (ERM Power, Pacific Hydro and Tango Energy) exited the market in 2018-19.

Table 1-1: Authorised retailers (at 30 June 2019)

Retailer	Selling electricity to		Selling gas to	
	Residential	Small business	Residential	Small business
AGL	✓	✓	✓	✓
Alinta Energy	✓	✓		
amaysim Energy	✓	✓		
BlueNRG	✓	✓		
Click Energy	✓	✓		
Commander Power & Gas	✓	✓		
Diamond Energy	✓	✓		
Dodo Power & Gas	✓			
Energy Locals	✓	✓		
EnergyAustralia	✓	✓	✓	✓
Lumo Energy	✓	✓	✓	✓
Momentum Energy	✓	✓		
Origin Energy	✓	✓	✓	✓
Powerclub	✓	✓		
Powerdirect	✓	✓		
Powershop	✓	✓		
QEnergy	✓	✓		
Red Energy	✓	✓	✓	✓
Sanctuary Energy	✓			
Simply 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 – for example, where a customer does not want to sign up to a Market Offer.

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, which must contain a minimum set of terms and conditions but may also include additional 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 2018 and 30 June 2019. The Commission's analysis includes:

- overall annual bill changes – changes in Standing Offer and Market Offer annual bills (averaged across all retailers)[6]
- 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 achieved 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 to provide further information on different tariff types:

- Retailer Feed-in Tariffs (section 2.3)
- Off-Peak Controlled Load offers (Annexure G), and
- Green energy options (Annexure H).

[6] 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 prices remained relatively unchanged (-0.04 percent) but Market Offers fell by three percent over the 12 months to 30 June 2019.
- Residential electricity retail Market Offers were generally priced at a discount to Standing Offer prices. The discount between a retailer's Standing Offer and average Market Offer ranged from one percent to 30 percent.
- Where a retailer discounted a retail Market Offer against its Standing Offer, residential customers on a Standing Offer could have saved between $20 and $1,060 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 fell by one percent and three percent respectively over the 12 months to 30 June 2019.
- Small business electricity retail Market Offers were generally priced at a discount to Standing Offer prices. The discount between a retailer's Standing Offer and average Market Offer ranged from one percent to 25 percent.
- Where a retailer discounted a retail Market Offer against its Standing Offer, small business customers on a Standing Offer could have saved between $50 and $1,430 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.

The annual consumption assumed for electricity customers is:

- for residential customers: 5,000 kWh, and
- for small business customers: 10,000 kWh.

Actual billing 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 2019[7], approximately 91 percent of small electricity customers in South Australia were on retail Market Offers (up from 89 percent as at 30 June 2018) with the remaining nine percent of those customers on Standing Offers.[8]

7 These are the latest figures available on the Australian Energy Regulator's website.

8 Refer: https://www.aer.gov.au/retail-markets/performance-reporting

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 at 30 June 2018 and 30 June 2019, and the discount between the average Standing Offer and average Market Offer.

It shows that the average retail Standing Offer bill remained relatively unchanged but the Market Offer bill fell by three percent ($62) respectively. This increased the average discount between the two types of offers from $381 to $442.

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

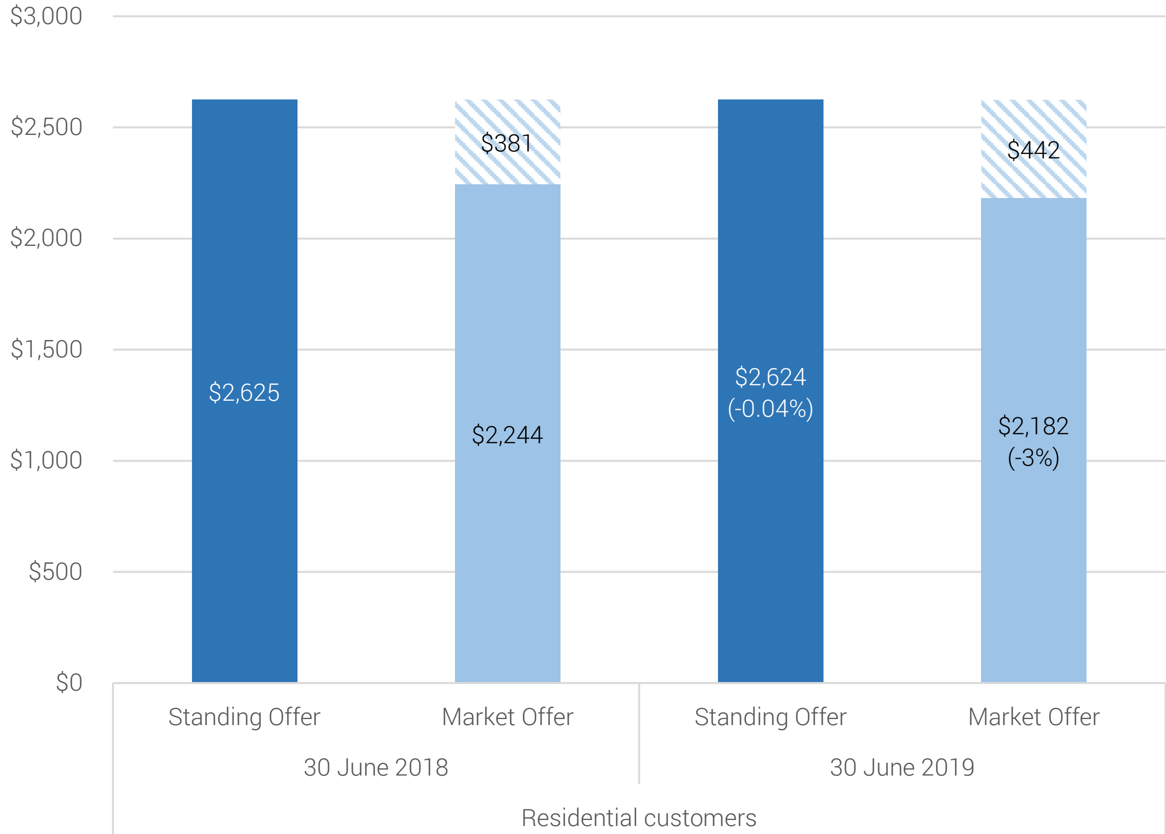


Table 2-1 shows the change in estimated annual residential electricity retail Standing Offer and lowest-priced Market Offer bills for each retailer at 30 June 2018 and 30 June 2019.

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 2018	30 June 2019	% change	30 June 2018	30 June 2019	% change	30 June 2018	30 June 2019
AGL	$2,423	$2,410	-1%	$2,089	$2,040	-2%	$334	$370
Alinta Energy	$2,648	-	-	$2,083	$2,010	-4%	$565	-
amaysim Energy	$3,017	$3,020	0%	$2,112	$2,320	10%	$905	-
BlueNRG	$3,199	$3,200	0%	$2,701	-	-	$498	-
Click Energy	$3,017	$3,020	0%	$2,263	$1,960	-13%	$754	$1,060
Commander Power & Gas	$2,874	$2,870	0%	$2,156	$2,160	0%	$718	$710
Diamond Energy	$2,322	$2,320	0%	$2,090	$2,090	-	$232	$230
Dodo Power & Gas	$2,982	$2,980	0%	$2,114	$2,110	0%	$868	$870
Energy Locals	-	$2,210	-	-	$1,840	-	-	$370
EnergyAustralia	$2,801	$2,800	0%	$2,247	$2,200	-2%	$554	$600
Lumo Energy	$2,612	$2,610	0%	$2,047	$2,030	-1%	$565	$580
Momentum Energy	$2,479	$2,510	1%	$2,387	$1,970	-17%	$92	$540
Origin Energy	$2,382	$2,360	-1%	$2,054	$1,890	-8%	$328	$470
Pacific Hydro	$2,163	-	-	-	-	-	-	-
Powerclub	-	$2,580	-	-	$1,750	-	-	$830
Powerdirect	$2,423	$2,412	0%	$2,089	$2,020	-3%	$334	-
Powershop	-	$2,410	-	-	$2,000	-	-	$410
QEnergy	$2,678	$2,680	0%	-	$2,660	-	-	$20
Red Energy	$2,612	$2,610	0%	$2,220	$2,090	-6%	$392	$520
Sanctuary Energy	$2,226	$2,230	0%	-	-	-	-	-
Simply Energy	$2,479	-	-	$2,049	$1,930	-6%	$430	-
Tango Energy	$2,529	-	-	-	-	-	-	-
Simple average	$2,625	$2,624	0%	$2,180	$2,059	-6%	$444	$565

The Commission's analysis of estimated annual residential electricity retail bills[9] at 30 June 2018 and 30 June 2019 indicates:

- **The range of price differences was larger in average residential electricity retail Market Offer prices than in Standing Offer prices**

  At 30 June 2019:

  - Energy Locals had the lowest-priced retail Standing Offer annual bill at $2,210
  - BlueNRG had the highest-priced Standing Offer annual bill at $3,200
  - Powerclub had the lowest-priced Market Offer annual bill at $1,750, and
  - Click Energy had the highest-priced Market Offer annual bill at $3,020.

- **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 one percent (QEnergy) to 30 percent (Powerclub). Residential customers could therefore have saved by moving from the Standing Offer to a Market Offer.

  Residential customers on a retail Standing Offer could have saved between $20 (QEnergy) and $1,060 (Click Energy) had they switched to their retailer's lowest-priced Market Offer.

- **There was a range of price differences between retailers' residential electricity retail Market Offers**

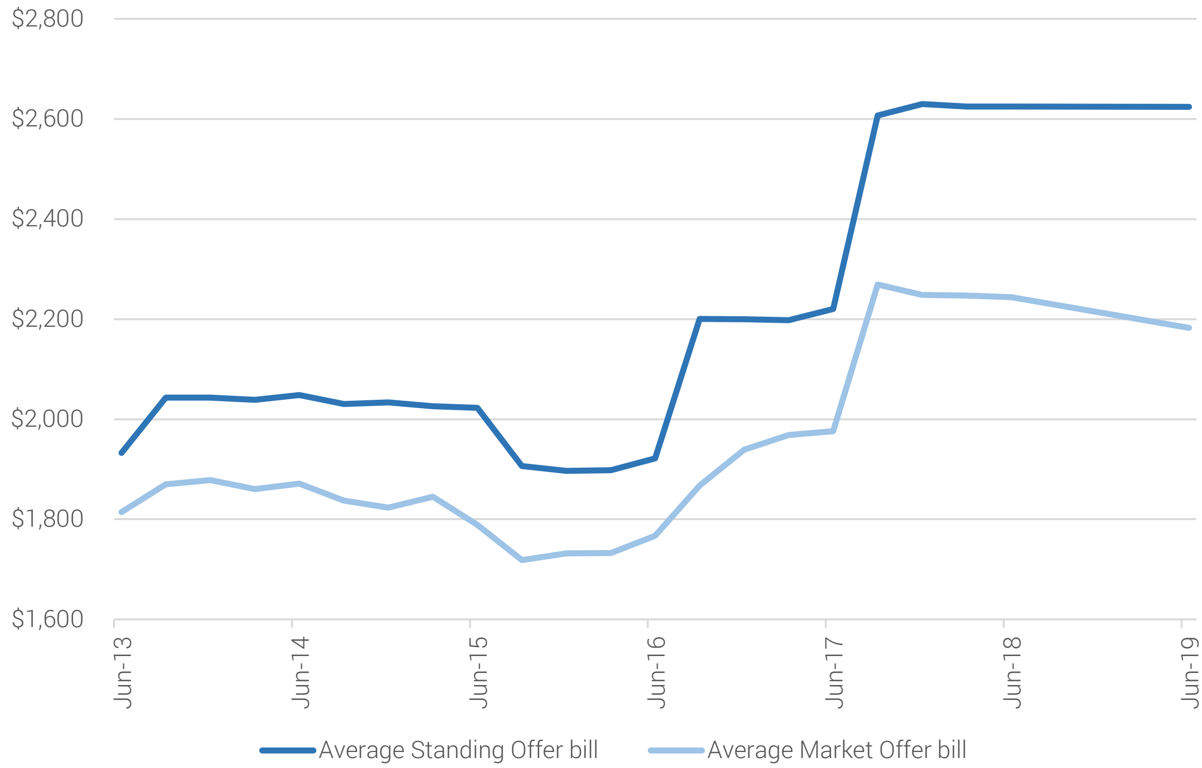
  Retailers were differentiating their retail Market Offers in a variety of ways (for example, through retail tariffs, discounts, fees and charges, contract duration and sign-up incentives) resulting in further impacts to price differences.

  At 30 June 2019, the largest price difference was found across Click Energy's retail Market Offers, where the estimated annual bill on different Market Offers was between $1,960 and $3,020 (a spread of $1,060).

[9] 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 2019. It shows that the average annual Standing Offer bill has increased by 35.8 percent (an average increase of 5.2 percent per annum), and that the average annual Market Offer bill has increased by 20.3 percent (an average increase of 3.1 percent per annum) over the period. The average discount between Standing Offers and Market Offers has increased from $118 to $442 over the seven 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 2018 and 30 June 2019, and the discount between the average Standing Offer and average Market Offer.

It shows that both the average retail Standing Offer and Market Offer bills fell by one percent ($73) and three percent ($141) respectively. This increased the average discount between the two types of offers from $667 to $734.

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

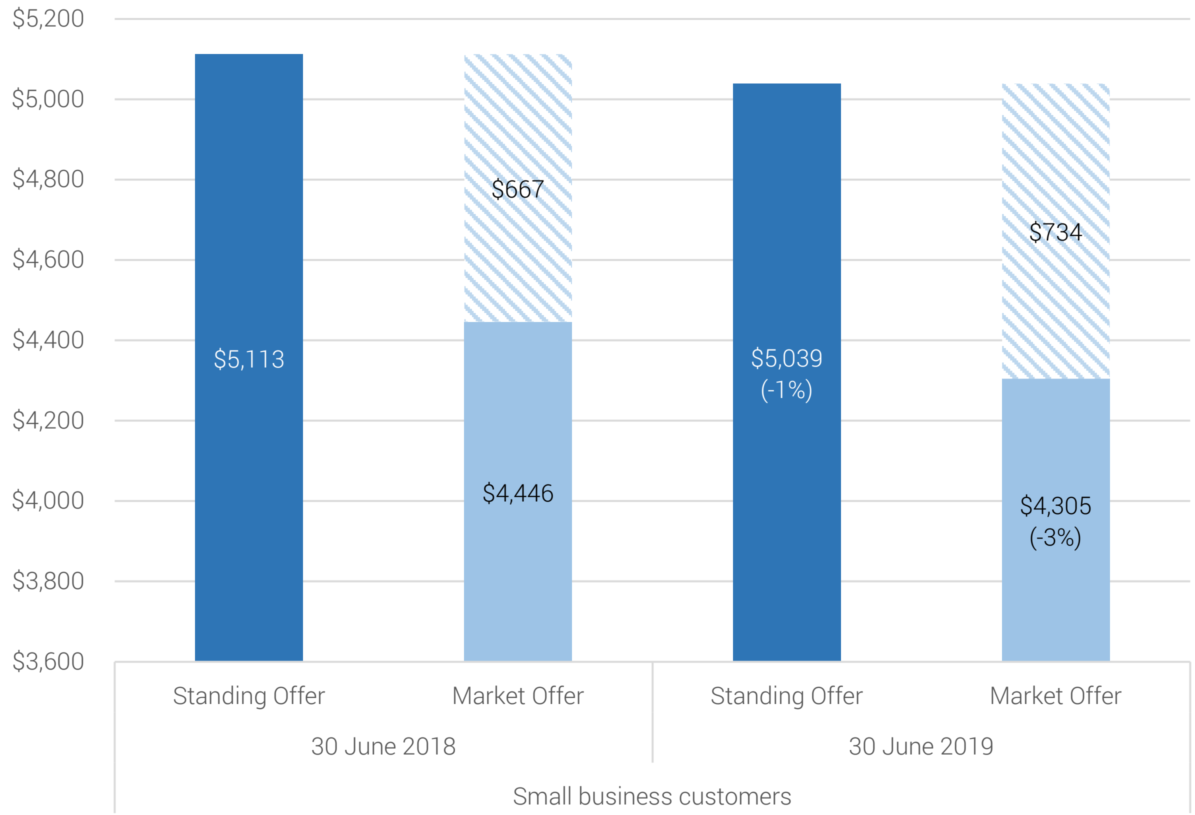


Table 2-2 shows the change in the estimated annual small business electricity retail Standing Offer and the lowest-priced Market Offer bills for each retailer at 30 June 2018 and 30 June 2019.

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 2018	30 June 2019	% change	30 June 2018	30 June 2019	% change	30 June 2018	30 June 2019
AGL	$5,095	$4,480	-12%	$4,017	$3,640	-9%	$1,078	$840
Alinta Energy	$5,273	-	-	$3,907	$3,940	-	$1,366	-
amaysim Energy	$5,391	$5,390	-	$4,529	$4,210	-	$862	$1,180
BlueNRG	$6,197	$5,830	-6%	$4,802	$4,950	-	$1,395	$880
Click Energy	$5,391	$5,390	0%	-	$4,850	-	-	$540
Commander Power & Gas	$5,714	$5,510	-4%	$4,227	$4,080	-3%	$1,487	$1,430
Diamond Energy	$4,753	$4,470	-6%	$4,277	$4,020	-6%	$476	$450
Energy Locals	-	$4,280	-	-	$4,070	-	-	$210
EnergyAustralia	$5,605	$5,610	0%	$4,527	$4,530	0%	$1,078	$1,080
ERM Power Retail Pty Ltd	$4,529	-	-	$5,229	-	-	($700)	-
Lumo Energy	$5,008	$5,010	0%	$3,882	$3,750	-3%	$1,126	$1,260
Momentum Energy	$5,023	$5,000	0%	$4,829	$3,870	-20%	$194	$1,130
Origin Energy	$4,801	$4,730	-1%	$4,081	$3,860	-5%	$720	$870
Pacific Hydro	$3,780	-	-	-	-	-	-	-
Powerclub	-	-	-	-	$3,280	-	-	-
Powerdirect	$5,095	-	-	$4,339	$4,330	0%	$756	-
Powershop	-	$4,630	-	-	$3,980	-	-	$650
QEnergy	$5,211	$5,210	0%	-	$5,160	-	-	$50
Red Energy	$5,008	$5,010	0%	$4,418	$4,140	-6%	$590	$870
Simply Energy	$4,843	-	-	$4,168	$3,900	-6%	$675	-
Tango Energy	$5,311	-	-	-	-	-	-	-
Simple average	$5,113	$5,039	-1%	$4,374	$4,142	-5%	$739	$897

The Commission's analysis of estimated annual small business electricity retail bills[10] at 30 June 2018 and 30 June 2019 indicates:

- ▶ The range of price differences was larger in average small business electricity retail Market Offer prices than in Standing Offer prices

  At 30 June 2019:

  - Energy Locals had the lowest-priced retail Standing Offer annual bill at $4,280
  - BlueNRG had the highest-priced Standing Offer annual bill at $5,830
  - Powerclub had the lowest-priced Market Offer annual bill at $3,280, and
  - BlueNRG had the highest-priced Market Offer annual bill at $5,490.

- ▶ 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 one percent (QEnergy) to 25 percent (Commander Power & Gas). Small business electricity customers could therefore have saved by moving from the Standing Offer to a Market Offer.

  Small business customers on a retail Standing Offer could have saved between $50 (QEnergy) and $1,430 (Commander Power & Gas) had they switched to their retailer's lowest-priced Market Offer.

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

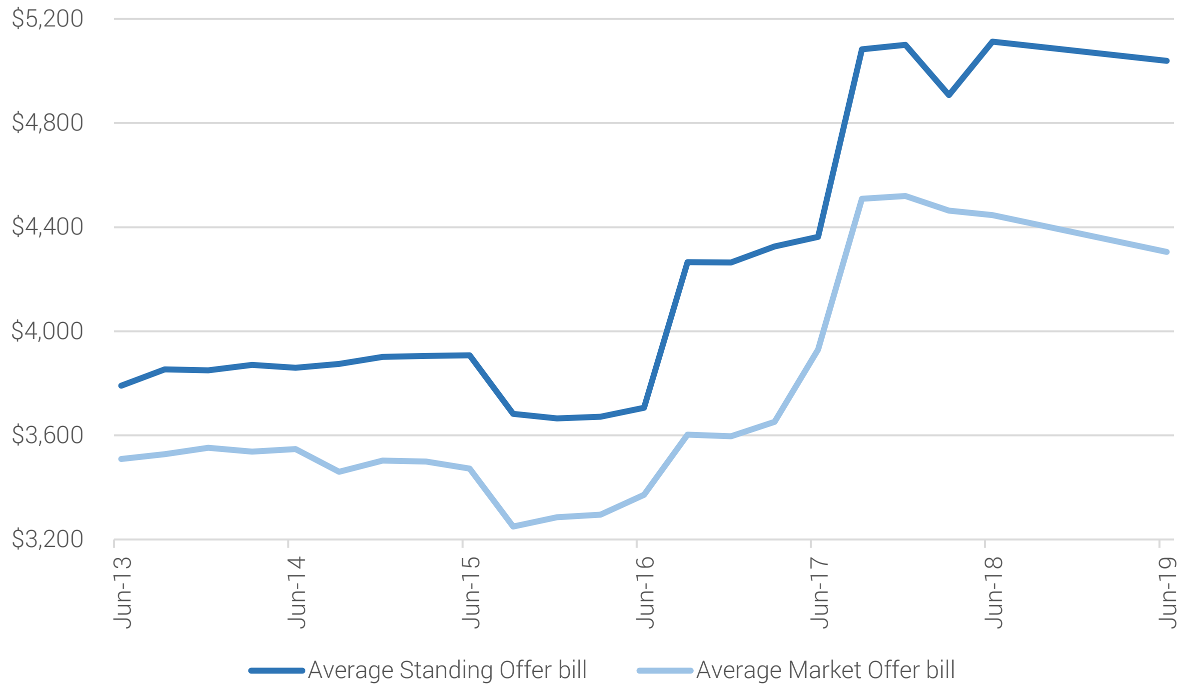
  Retailers were differentiating their retail Market Offers in a variety of ways (for example, through retail tariffs, discounts, fees and charges, contract duration and sign-up incentives) resulting in further impacts to price differences. Small business electricity customers can pay varying retail prices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

  At 30 June 2019, the largest price difference was found across AGL's retail Market Offers, where the estimated annual bill on different Market Offers was between $3,640 and $5,080 (a spread of $1,440).

[10] 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 2019. It shows that the average annual Standing Offer bill has increased by 32.9 percent (an average increase of 4.9 percent per annum), and that the average annual Market Offer bill has increased by 22.7 percent (an average increase of 3.5 percent per annum) over the period. The average discount between Standing Offers and Market Offers has increased from $282 to $734 over the seven years.

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



2.3 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.[11] Prior to that, the most recent determination had required retailers to pay eligible solar customers a minimum of 6.8 cents per kWh 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 monitoring regime in respect of the R-FiT.[12]

The available evidence shows that South Australian solar customers had a choice of offers available to them and were not paying more for electricity than non-solar customers. Further, electricity retailers were recognising the benefit of fed-in solar electricity through offering a R-FiT to solar customers. This suggests that the Commission does not need to re-set a minimum R-FiT at this stage.

The Commission will continue to monitor retail offers to solar customers. If evidence arises to show that the solar customers cannot access electricity offers comparable with those of non-solar customers and/or electricity retailers are not offering R-FiTs to solar customers that reflect average wholesale electricity prices, the Commission may re-set a minimum price for the retailer-paid component of the solar feed-in tariff under the Electricity Act 1996.

2.3.1 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 considers that focussing on the 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 the retailer-paid component of the solar feed-in tariff amounts as well as the purchase price of energy offered by a retailer.

Table 2-3 compares the retailer-paid component of the solar feed-in tariff amounts paid by electricity retailers retailing to solar customers from 30 June 2016 to 30 June 2019.

[11] 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.

[12] 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.

Table 2-3: Retailer-paid component of the solar feed-in tariff amounts paid by electricity retailers (cents per kWh, GST exclusive) ($nominal)

Retailer	30 June 2016	30 June 2017	30 June 2018	30 June 2019
AGL	6.8	6.8	16.3 to 20.0	16.3
Alinta Energy	6.8	6.8	6.8	9.5
amaysim Energy	-	-	20.0	22.0
BlueNRG	-	-	-	6.8
Click Energy	8.0 to 12.0	8.0 to 12.0	15.0 to 22.0	15.0 to 22.0
Commander Power & Gas	7.0	7.0	11.6	11.6
Diamond Energy	8.0	8.0	12.0	12.0
Dodo Power & Gas	7.0	7.0	11.6	11.6
Energy Locals	-	-	-	9.0 to 16.0
EnergyAustralia	6.8	8.2	15.0	15.0
ERM Power Retail Pty Ltd	6.8	6.8	6.8	-
Lumo Energy	7.0	7.0 to 16.0	16.0	16.0
Momentum Energy	6.8	6.8	6.8	-
Origin Energy	6.8	6.8 to 12	11 to 20.0	10.0 to 23.0
Powerclub	-	-	-	11.0
Powerdirect	8.0	6.8 - 8	16.3	16.3
Powershop	-	-	-	10.2
QEnergy	6.8	-	-	8.0
Red Energy	6.8	16.0	16.0	16.0
Sanctuary Energy	6.8	6.8	6.8	6.8
Simply Energy	6.8	6.8	17.0	15.0

2.3.2 Incidence of best priced market offers available to solar customers

Tables 2-4 and 2-5 show 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, the majority of electricity retailers retailing to solar customers were making their best-priced Market Offer available to those customers. The only exceptions were amaysim Energy, BlueNRG, Click Energy and Energy Locals, where the best-priced solar Market Offer was higher than the comparable non-solar Market Offer.

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

Table 2-4: 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 2019 (GST inclusive) ($nominal)

Retailer	Available Market Offers	Available solar Market Offers	Best-priced Market Offer	Best-priced solar Market Offer	Price difference
AGL	10	10	$2,040	$2,040	-
Alinta Energy	2	2	$2,010	$2,010	-
amaysim Energy	3	1	$2,320	$2,410	$90
BlueNRG	3	2	$3,200	$3,350	$150
Click Energy	11	5	$1,960	$2,020	$60
Commander Power & Gas	2	2	$2,160	$2,160	-
Diamond Energy	3	1	$2,090	$2,090	-
Dodo Power & Gas	2	2	$2,110	$2,110	-
Energy Locals	5	4	$1,840	$2,010	$170
EnergyAustralia	34	34	$2,200	$2,200	-
Lumo Energy	8	8	$2,030	$2,030	-
Momentum Energy	4	4	$1,970	$1,970	-
Origin Energy	37	37	$1,890	$1,890	-
Powerclub	5	2	$1,750	$1,750	-
Powerdirect	1	1	$2,020	$2,020	-
Powershop	4	3	$2,000	$2,000	-
QEnergy	3	3	$2,660	$2,660	-
Red Energy	8	8	$2,090	$2,090	-
Sanctuary Energy	1	1	$2,230	$2,230	-
Simply Energy	15	5	$1,930	$1,930	-

Table 2-5: 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 2019 (GST inclusive) ($nominal)

Retailer	Available Market Offers	Available solar Market Offers	Best-priced Market Offer	Best-priced solar Market Offer	Price difference
AGL	10	10	$3,640	$3,640	-
Alinta Energy	2	2	$3,940	$3,940	-
amaysim Energy	1	1	$4,210	$4,210	-
BlueNRG	9	6	$4,950	$4,950	-
Click Energy	3	2	$4,850	$4,850	-
Commander Power & Gas	4	4	$4,080	$4,080	-
Diamond Energy	7	2	$4,020	$4,020	-
Energy Locals	4	4	$4,070	$4,070	-
EnergyAustralia	12	12	$4,530	$4,530	-
Lumo Energy	16	16	$3,750	$3,750	-
Momentum Energy	8	8	$3,730	$3,730	-
Origin Energy	37	37	$3,590	$3,590	-
Powerclub	8	4	$3,160	$3,160	-
Powerdirect	2	2	$3,820	$3,820	-
Powershop	6	4	$3,720	$3,720	-
QEnergy	6	6	$5,020	$5,020	-
Red Energy	18	18	$3,910	$3,910	-
Simply Energy	18	6	$3,900	$3,900	-

3 Gas retail offer prices

Key observations

For residential customers

- Both average annual gas retail Standing Offer and Market Offer prices fell by two percent over the 12 months to 30 June 2019.
- Residential gas retail Market Offers were generally priced at a discount to Standing Offer prices but the extent of discounting was less than that observed for residential electricity Market Offer prices. The discount between a retailer's Standing Offer and average Market Offer ranged from six percent to 20 percent.
- Residential customers on a retail Standing Offer could have saved between $110 and $270 had they switched to their retailer's lowest-priced Market Offer.
- At 30 June 2019, 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 prices increased by one percent but average annual retail Market Offer prices fell by one percent over the 12 months to 30 June 2019.
- Small business gas retail Market Offers were generally priced at a discount to Standing Offer prices. The discount between a retailer's Standing Offer and average Market Offer ranged from four percent to 23 percent.
- Small business customers on a retail Standing Offer could have saved between $370 and $1,770 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 the Adelaide metropolitan area and offered the same gas retail Standing Offer prices to their metropolitan and non-metropolitan residential customers. The non-metropolitan 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.

The annual consumption assumed for gas customers is:

- for residential customers: 21,000 MJ, and
- for small business customers: 190,000 MJ.

Actual billing 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 2019, approximately 89 percent of small gas customers in South Australia were on retail Market Offers (up from 88 percent as at 30 June 2018) with the remaining 11 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 2018 and 30 June 2019, and the discount between the average Standing Offer and average Market Offer.

It shows that both the average retail Standing Offer and Market Offer bills fell by two percent. This is equivalent to an average annual bill reduction of $26 for a residential customer on a Standing Offer, and an average $21 reduction for a customer on a Market Offer. This reduced the average discount between the two types of offers from $131 to $126.

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

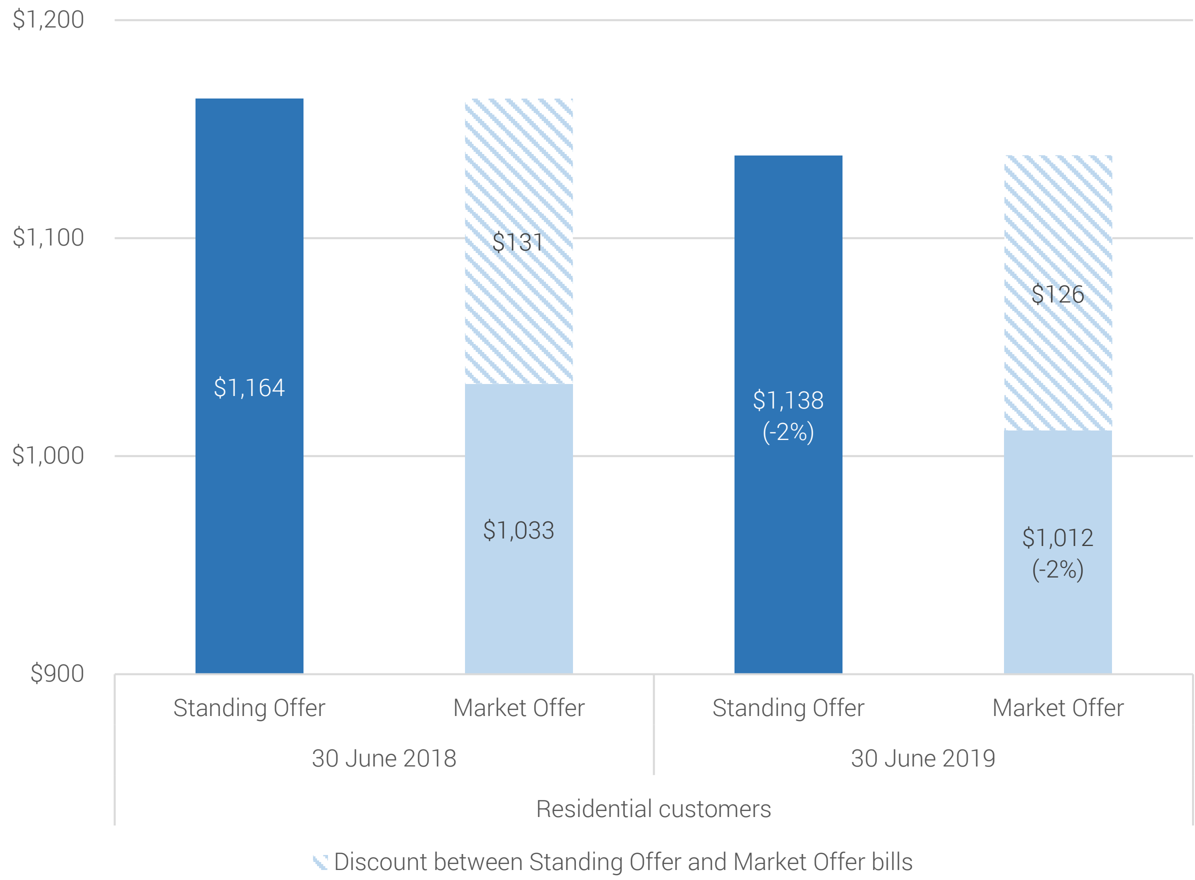


Table 3-1 shows the change in the estimated annual residential gas retail Standing Offer and lowest-priced Market Offer bills in the metropolitan region for each retailer at 30 June 2018 and 30 June 2019, and the discount between the average Standing Offer and average Market Offer.

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 2018	30 June 2019	% change	30 June 2018	30 June 2019	% change	30 June 2018	30 June 2019
AGL	$1,086	$1,120	3%	$993	$1,010	2%	$93	$110
Alinta Energy	-	-	-	-	$1,010	-	-	-
EnergyAustralia	$1,251	$1,210	-3%	$1,036	$990	-4%	$215	$220
Lumo Energy	$1,235	$1,180	-4%	$929	$910	-2%	$306	$270
Origin Energy	$1,120	$1,070	-4%	$1,011	$940	-7%	$109	$130
Red Energy	$1,127	$1,110	-2%	$1,007	$960	-5%	$120	$150
Simple average	$1,164	$1,138	-2%	$995	$970	-3%	$169	$168

The Commission's analysis of estimated annual residential gas retail bills[13] at 30 June 2018 and 30 June 2019 indicates:

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

  At 30 June 2019, 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.

- **The range of price differences was larger in average residential gas retail Market Offer prices than in Standing Offer prices**

  At 30 June 2019:

  - Origin Energy had the lowest-priced retail Standing Offer annual bill at $1,070
  - EnergyAustralia had the highest-priced Standing Offer annual bill at $1,210
  - Lumo Energy had the lowest-priced Market Offer annual bill at $910, and
  - AGL 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 (AGL) to 20 percent (Lumo Energy). Residential gas customers could therefore have saved by moving from the Standing Offer to a Market Offer.

  Residential gas customers on a retail Standing Offer could have saved between $110 (AGL) and $270 (Lumo Energy) had they switched to their retailer's lowest-priced Market Offer.

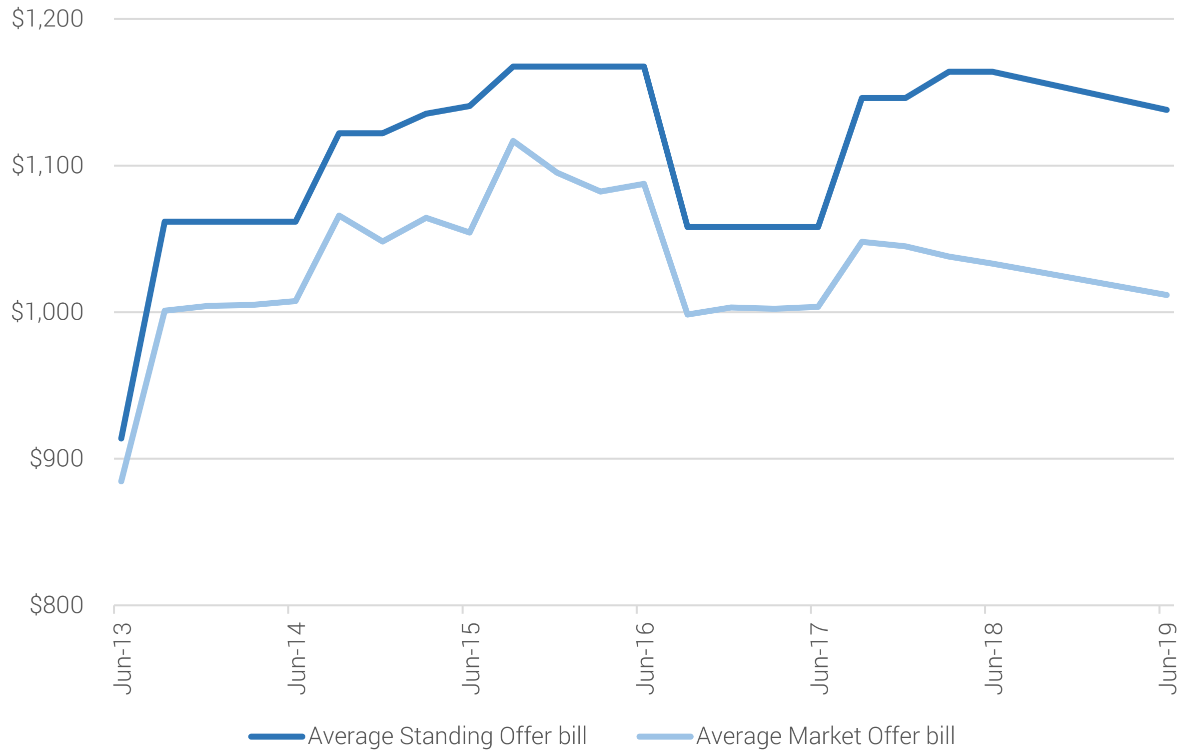
- **There was a range of price differences between residential gas retail Market Offers, but the extent of price differentiation was less than that observed for residential electricity Market Offers**

  At 30 June 2019, the largest price difference was found across Origin Energy's retail Market Offers, where the estimated annual bill on different Market Offers was between $940 and $1,070 (a spread of $130).

[13] Refer Annexure E.

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 2019. It shows that the average annual Standing Offer bill increased by 24.5 percent (an average increase of 3.7 percent per annum), and that the average annual Market Offer bill increased by 14.4 percent (an average increase of 2.3 percent per annum) over the period. The average discount between Standing Offers and Market Offers has increased from $29 to $126 over the seven 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 2018 and 30 June 2019, and the discount between the average Standing Offer and average Market Offer.

It shows that the average annual retail Standing Offer bill increased by one percent ($64) but the average annual retail Market Offer bill fell by one percent ($63). This increased the average discount between the two types of offers from $642 to $768.

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 at 30 June 2018 and 30 June 2019.

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 3-2: Comparison of estimated annual gas retail bills for metropolitan small business customers ($nominal)[14]

Retailer	Standing Offer			Lowest-priced Market Offer			Difference between Standing Offer and lowest-priced Market Offer	
	30 June 2018	30 June 2019	% change	30 June 2018	30 June 2019	% change	30 June 2018	30 June 2019
AGL	$5,249	$5,560	6%	$4,934	$5,190	5%	$315	$370
EnergyAustralia	$6,839	$6,840	0%	$5,658	$5,660	0%	$1,181	$1,180
Lumo Energy	$7,250	$7,250	0%	$5,525	$5,480	-1%	$1,725	$1,770
Origin Energy	$6,466	$6,470	0%	$5,990	$5,630	-6%	$476	$840
Red Energy	$6,487	$6,490	0%	$5,782	$5,730	-1%	$705	$760
Simple average	$6,458	$6,522	1%	$5,578	$5,538	-1%	$880	$984

[14] Simply Energy does not retail gas to small business customers in South Australia.

The Commission's analysis of estimated annual small business gas retail bills[15] at 30 June 2018 and 30 June 2019 indicates:

- **Origin Energy was offering metropolitan and non-metropolitan small business customers the same Standing Offer gas retail prices**

  At 30 June 2019, 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 small business customers.

- **The range of price differences was larger in average small business gas retail Standing Offer prices than in Market Offer prices**

  At 30 June 2019:

  - AGL had the lowest-priced retail Standing Offer annual bill at $5,560
  - Lumo Energy had the highest-priced Standing Offer annual bill at $7,250
  - AGL had the lowest-priced Market Offer annual bill at $5,190, and
  - Origin Energy had the highest-priced Market Offer annual bill at $6,470.

- **Small business gas 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 four percent (AGL) to 23 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 $370 (AGL) and $1,770 (Lumo Energy) had they switched to their retailer's lowest-priced Market Offer.

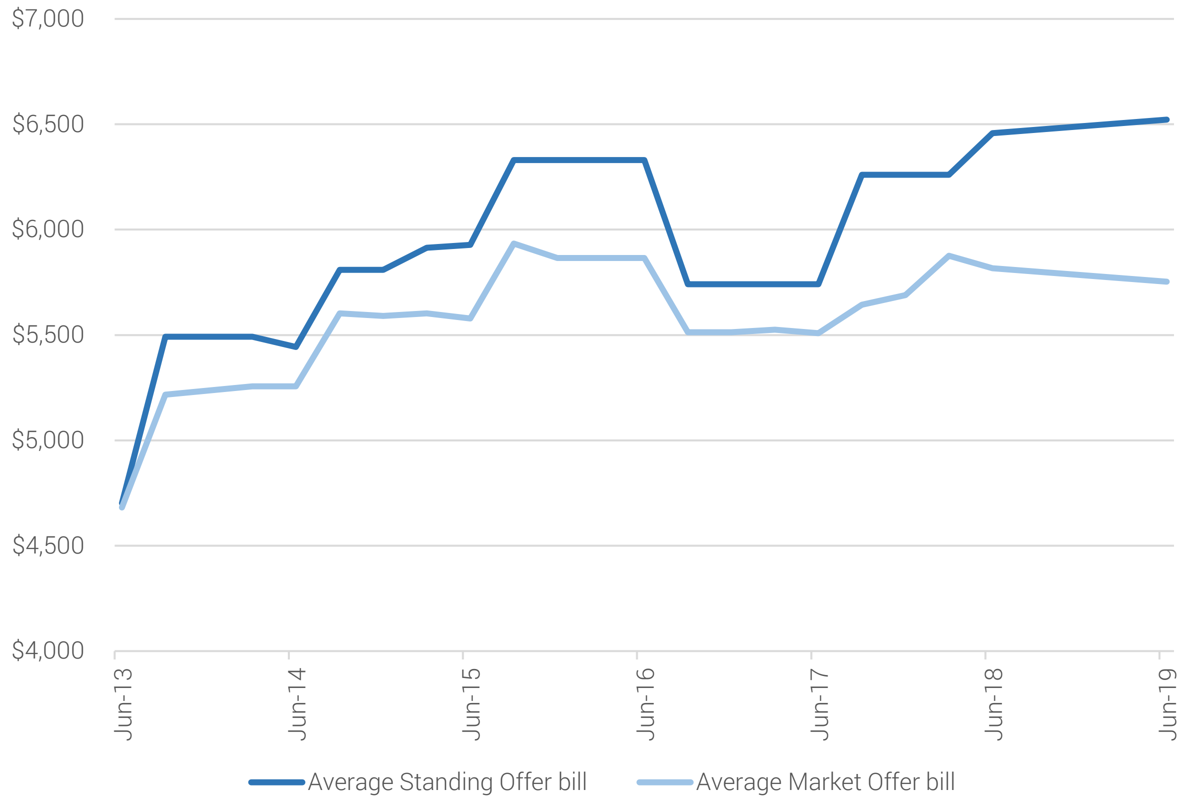
- **There was a range of price differences between small business gas retail Market Offers but the extent of price differentiation was less than that observed for small business electricity Market Offers**

  At 30 June 2019, the largest price difference was found across Origin Energy's retail Market Offers, where the estimated annual bill on different Market Offers was between $5,630 and $6,470 (a spread of $840).

[15] Refer Annexure F.

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 2019. It shows that the average annual Standing Offer bill has increased by 38.7 percent (an average increase of 5.6 percent per annum), and that the average annual Market Offer bill has increased by 22.9 percent (an average increase of 3.5 percent per annum) over the period. The average discount between Standing Offers and Market Offers has increased from $20 to $768 over the seven 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,[16] 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 2018 and 2019. 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 at B.4.

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 at particular 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-rate[17] 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.

---

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

17 '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 kWh, and
- for small business customers: 10,000 kWh.

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 reports prepared for the Minister by the Commission pursuant to the Regulations.

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 MJ, and
- for small business customers: 190,000 MJ.

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.[18]

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 section 2.3.

[18] Refer to Annexure H of this report.

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

Retailer	30 June 2018				30 June 2019			
	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	$2,423	$2,089	$2,423	$2,221	$2,410	$2,040	$2,410	$2,204
Alinta Energy	$2,648	$2,083	$2,083	$2,083	-	$2,010	$2,270	$2,140
amaysim Energy	$3,017	$2,112	$2,172	$2,152	$3,020	$2,320	$3,020	$2,583
BlueNRG	$3,199	$2,701	$2,701	$2,701	$3,200	-	-	-
Click Energy	$3,017	$2,263	$2,534	$2,363	$3,020	$1,960	$3,020	$2,418
Commander Power & Gas	$2,874	$2,156	$2,156	$2,156	$2,870	$2,160	$2,160	$2,160
Diamond Energy	$2,322	$2,090	$2,322	$2,167	$2,320	$2,090	$2,090	$2,090
Dodo Power & Gas	$2,982	$2,114	$2,114	$2,114	$2,980	$2,110	$2,110	$2,110
Energy Locals	-	-	-	-	$2,210	$1,840	$2,180	$2,040
EnergyAustralia	$2,801	$2,247	$2,436	$2,342	$2,800	$2,200	$2,440	$2,324
Lumo Energy	$2,612	$2,047	$2,393	$2,161	$2,610	$2,030	$2,160	$2,089
Momentum Energy	$2,479	$2,387	$2,430	$2,409	$2,510	$1,970	$2,400	$2,140
Origin Energy	$2,382	$2,054	$2,382	$2,184	$2,360	$1,890	$2,360	$2,113
Pacific Hydro	$2,163	-	-	-	-	-	-	-
Powerclub	-	-	-	-	$2,580	$1,750	$1,860	$1,805
Powerdirect	$2,423	$2,089	$2,089	$2,089	$2,412	$2,020	$2,020	$2,020
Powershop	-	-	-	-	$2,410	$2,000	$2,120	$2,063
QEnergy	$2,678	-	-	-	$2,680	$2,660	$2,660	$2,660
Red Energy	$2,612	$2,220	$2,467	$2,302	$2,610	$2,090	$2,320	$2,189
Sanctuary Energy	$2,226	-	-	-	$2,230	-	-	-
Simply Energy	$2,479	$2,049	$2,264	$2,217	-	$1,930	$2,250	$2,136
Tango Energy	$2,529	-	-	-	-	-	-	-
Simple average	$2,625	$2,180	$2,331	$2,244	$2,624	$2,059	$2,325	$2,182

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

Retailer	30 June 2018				30 June 2019			
	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	$5,095	$4,017	$4,433	$4,263	$4,480	$3,640	$5,080	$4,354
Alinta Energy	$5,273	$3,907	$3,907	$3,907	-	$3,940	$4,060	$4,000
amaysim Energy	$5,391	$4,529	$4,529	$4,529	$5,390	$4,210	$4,210	$4,210
BlueNRG	$6,197	$4,802	$4,802	$4,802	$5,830	$4,950	$5,490	$5,220
Click Energy	$5,391	-	-	-	$5,390	$4,850	$4,850	$4,850
Commander Power & Gas	$5,714	$4,227	$4,227	$4,227	$5,510	$4,080	$4,230	$4,155
Diamond Energy	$4,753	$4,277	$4,753	$4,436	$4,470	$4,020	$4,280	$4,124
Energy Locals	-	-	-	-	$4,280	$4,070	$4,070	$4,070
EnergyAustralia	$5,605	$4,527	$4,639	$4,598	$5,610	$4,530	$4,790	$4,583
ERM Power Retail Pty Ltd	$4,529	$5,229	$5,278	$5,254	-	-	-	-
Lumo Energy	$5,008	$3,882	$4,018	$3,950	$5,010	$3,750	$4,180	$3,953
Momentum Energy	$5,023	$4,829	$4,922	$4,876	$5,000	$3,870	$4,760	$4,190
Origin Energy	$4,801	$4,081	$4,801	$4,329	$4,730	$3,860	$4,730	$4,318
Pacific Hydro	$3,780	-	-	-	-	-	-	-
Powerclub	-	-	-	-	-	$3,280	$3,500	$3,390
Powerdirect	$5,095	$4,339	$4,339	$4,339	-	$4,330	$4,330	$4,330
Powershop	-	-	-	-	$4,630	$3,980	$4,070	$4,025
QEnergy	$5,211	-	-	-	$5,210	$5,160	$5,160	$5,160
Red Energy	$5,008	$4,418	$4,418	$4,418	$5,010	$4,140	$4,760	$4,365
Simply Energy	$4,843	$4,168	$4,393	$4,318	-	$3,900	$4,340	$4,193
Tango Energy	$5,311	-	-	-	-	-	-	-
Simple average	$5,113	$4,374	$4,533	$4,446	$5,039	$4,142	$4,494	$4,305

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

Retailer	30 June 2018				30 June 2019			
	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	$1,086	$993	$1,042	$1,011	$1,120	$1,010	$1,120	$1,050
Alinta Energy	-	-	-	-	-	$1,010	$1,040	$1,025
EnergyAustralia	$1,251	$1,036	$1,116	$1,076	$1,210	$990	$1,100	$1,043
Lumo Energy	$1,235	$929	$1,085	$982	$1,180	$910	$1,010	$949
Origin Energy	$1,120	$1,011	$1,120	$1,053	$1,070	$940	$1,070	$997
Red Energy	$1,127	$1,007	$1,119	$1,044	$1,110	$960	$1,070	$1,007
Simple average	$1,164	$995	$1,096	$1,033	$1,138	$970	$1,068	$1,012

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

Retailer	30 June 2018				30 June 2019			
	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	$5,249	$4,934	$7,061	$5,652	$5,560	$5,190	$5,560	$5,333
EnergyAustralia	$6,839	$5,658	$6,270	$5,923	$6,840	$5,660	$6,270	$5,746
Lumo Energy	$7,250	$5,525	$5,525	$5,525	$7,250	$5,480	$5,760	$5,589
Origin Energy	$6,466	$5,990	$6,466	$6,200	$6,470	$5,630	$6,470	$6,172
Red Energy	$6,487	$5,782	$5,782	$5,782	$6,490	$5,730	$6,420	$5,928
Simple average	$6,458	$5,578	$6,221	$5,816	$6,522	$5,538	$6,096	$5,754

Annexure G 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 consumption[19] 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 kWh, GST inclusive) ($nominal)

Retailer	30 June 2018	30 June 2019	% change
AGL	24.20	24.09	0%
Alinta Energy	24.23	23.65	-2%
amaysim Energy	43.12	43.12	-
BlueNRG	38.50	38.50	0%
Click Energy	43.12	43.12	0%
Commander Power & Gas	27.21	27.21	0%
Diamond Energy	21.95	21.95	0%
Dodo Power & Gas	28.38	28.38	0%
Energy Locals	-	27.49	-
EnergyAustralia	19.16	19.16	0%
Lumo Energy	22.77	22.77	0%
Momentum Energy	24.08	26.14	9%
Origin Energy	21.18	20.97	-1%
Powerclub	-	22.32	-
Powerdirect	22.00	24.09	10%
Powershop	-	29.46	-
QEnergy	38.92	38.92	-
Red Energy	22.77	22.77	0%
Sanctuary Energy	17.82	17.82	0%
Simply Energy	42.01	30.24	-28%

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 kWh, GST inclusive) ($nominal)

Retailer	30 June 2018	30 June 2019	% change
AGL	24.20	24.09	0%
Alinta Energy	22.61	22.50	0%
amaysim Energy	43.12	43.12	0%
BlueNRG	-	37.13	-
Click Energy	43.55	43.12	-1%
Commander Power & Gas	28.68	28.68	0%
Diamond Energy	21.95	21.95	0%
Dodo Power & Gas	28.38	-	-
Energy Locals	-	21.99	-
EnergyAustralia	19.16	18.60	-3%
ERM Power Retail Pty Ltd	-	-	-
Lumo Energy	-	19.65	-
Momentum Energy	-	26.05	-
Origin Energy	21.18	20.97	-1%
Powerclub	-	21.93	-
Powerdirect	24.20	24.09	0%
Powershop	-	29.46	-
QEnergy	-	38.50	-
Red Energy	22.77	22.33	-2%
Sanctuary Energy	-	-	-
Simply Energy	-	30.24	-
Tango Energy	24.20	-	-

Annexure H Green energy options

At 30 June 2019, 12 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 exception was 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 2018 and 30 June 2019 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 2018	Additional cost 30 June 2019	Comments
AGL	10%	$57	$57	
	20%	$94	$94	
	100%	$275	$300	
Click Energy	25%	-	-	GreenPower charges are already included in the rates.
Diamond Energy	20%	$55	$55	
	50%	$138	$138	
	100%	$275	$275	
Energy Locals	10%	-	$45	
	50%	-	$225	
	100%	-	$450	
Dodo Power & Gas	10%	$50	$50	
	100%	$495	$495	
EnergyAustralia	10%	$25	$25	
	20%	$50	$50	
	100%	$248	$248	
Lumo Energy	100%	$330	$330	
Origin Energy	25%	$104	$104	
	50%	$141	$141	
	100%	$281	$281	
Powerdirect	10%		$52	
	20%		$103	
Powershop	10%		$43	
	25%		$107	
	50%		$213	
	100%		$425	
QEnergy	10%	$33	$33	
	50%	$165	$165	
	100%	$330	$330	
Red Energy	100%	$292	$292	

The Essential Services Commission
Level 1, 151 Pirie Street Adelaide SA 5000
GPO Box 2605 Adelaide SA 5001
T 08 8463 4444
E escosa@escosa.sa.gov.au | W www.escosa.sa.gov.au