



Supplementary Electricity Retail Price Offers Comparison Report 2019

Report to the Minister for Energy and Mining

February 2020

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Glossary of terms

Term	Description
Commission	Essential Services Commission established under the Essential Services Commission Act 2002
Default Market Offer	The maximum price set by the Australian Energy Regulator for standing offers
Designated Retailer	Under clause 2 of the National Energy Retail Law, a 'Designated Retailer' for a small customer's premises is: <ul style="list-style-type: none"> (a) in the case where there is no existing connection – the local area retailer, or (b) in the case where there is 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 with controlled load: 6,000 kWh per annum (general usage of 4,200 kWh per annum and controlled load usage of 1,800 kWh per annum) ▶ for residential customers without controlled load: 4,000 kWh per annum ▶ for residential customers with solar photovoltaics without controlled load: 4,000 kWh per annum ▶ for small business customers without controlled load: 20,000 kWh per annum and 100,000 kWh per annum
GST	Goods and Services Tax
kWh	Kilowatt hour
Market Offer	Any retail electricity offer that is not a Standing Offer
Minister	South Australian 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	Supplementary Electricity Retail Price Offers Comparison Report requested by the Minister for Energy and Mining pursuant to section 12 of the Electricity (General) Regulations 2012
Retailers	NERL retailers selling electricity in South Australia as at 30 June 2019 or 31 October 2019
R-FiT	Retailer-paid component of the solar feed-in tariff
Solar Customer	A residential or small business customer using less than 160 MWh 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 1996
Standing Offer	Standing Offers are the default offer contracts which an energy retailer must make available to customers for which it is a Designated Retailer
weighted average	Calculation that is weighted by the number of customers on each retail electricity offer, as reported by electricity retailers

Executive summary

The Essential Services Commission (**Commission**) received an information request from the South Australian Minister for Energy and Mining (**Minister**) to produce a Supplementary Electricity Retail Price Offers Comparison Report (**Report**) pursuant to the Electricity (General) Regulations 2012. This Report is in addition to the Energy Retail Price Offers Comparison Report prepared annually by the Commission under the Electricity Act 1996 and Gas Act 1997.

The information request requires the Commission to examine the prices for the sale of electricity in South Australia following the introduction of the Default Market Offer (**DMO**) by the Australian Energy Regulator (**AER**) on 1 July 2019, by considering the prices of electricity retail Standing Offers and Market Offers for residential and small business customers and relevant customer numbers on these prices.

The observations set out in this Report are based on electricity retail offer prices that were publicly available to residential and small business customers in South Australia on 30 June 2019 and on 31 October 2019. Electricity retail offers not publicly available on these dates and the associated number of customers on those offers are therefore excluded from the analysis.

Analysis carried out by the Commission on the data provided by electricity retailers operating in South Australia indicates the following:

- ▶ The weighted average retail Standing Offer and Market Offer prices for both residential and small business customers were lower at 31 October 2019 when compared to 30 June 2019.
- ▶ Retailers have generally responded to the introduction of the DMO by decreasing the range of electricity retail offer prices available. The majority of retailers set retail Standing Offer prices either at or just below the DMO price as at 31 October 2019.
- ▶ The majority of residential and small business electricity retail Market Offers were still priced below the DMO as at 31 October 2019. The price range and available discounts had decreased, when compared to retail Market Offers publicly available on 30 June 2019. This does not necessarily indicate that customers are worse off because the newer discounts were applied against lower retail Standing Offer prices, as evidenced by the lower weighted average retail Market Offer prices.
- ▶ For residential customers, the number of customers on retail Standing Offers was broadly unchanged. There was an increase in the number of customers on the lower-priced retail Market Offers and a corresponding decrease in the number of customers on the higher-priced retail Market Offers.
- ▶ For small business customers, there was an increase in the number of customers on the lower-priced retail Standing Offers and a decrease in the number of customers on the high-priced retail Standing Offers. In addition, the number of small business customers on retail Standing Offers has increased but the number of customers on retail Market Offers has decreased.

The Commission notes that it may be too early to draw any enduring conclusions about the impact of the DMO from this Report because the 31 October 2019 snapshot is only four months after the introduction of the DMO. Customers might therefore not have had the opportunity to engage in the market between 30 June 2019 and 31 October 2019, for example, due to exit fees. The impact of the DMO on the South Australian electricity retail market should become clearer over a longer period of time.

Further, the Commission expects that electricity retailers will continue to structure their electricity retail offers and prices in response to other factors such as competition and business requirements and not solely the DMO.

1 Introduction

Pursuant to the regulations issued under the Electricity Act 1996, the South Australian Minister for Energy and Mining (**Minister**) has requested the Essential Services Commission (**Commission**) provide a Supplementary Electricity Retail Price Offers Comparison Report (**Report**) for South Australian residential and small business customers. The Report is to examine the prices for the sale of electricity following the introduction of the Default Market Offer (**DMO**) by the Australian Energy Regulator (**AER**) on 1 July 2019, and is in addition to the Energy Retail Price Offers Comparison Report which is provided annually to the Minister by the Commission.

The DMO is an annual maximum reference price set by the AER for each electricity distribution zone in New South Wales, South Australia and South East Queensland, pursuant to Part 3 of the Competition and Consumer (Industry Code – Electricity Retail) Regulations 2019.¹ The DMO is designed to make it easier for residential and small business customers to compare energy plans across different electricity retailers as retailers must compare all offers against the reference price.

This Report forms part of an overall pricing and market monitoring regime, introduced by the South Australian Government, to inform itself of the state of the market and of the need to review or amend regulatory controls. 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 AER.

The request from the Minister requires that the following information is included in the Report for the purposes of monitoring prices for the sale of electricity by relevant customer types (refer Annexure A):

- ▶ Electricity market retail contract (as defined by the National Energy Retail Law) prices and the relevant customer numbers on these prices.
- ▶ Electricity standard retail contract (as defined by the National Energy Retail Law) prices and the relevant customer numbers on these prices.

The Commission has not been requested to provide insights pertaining to the information provided in this Report, other than providing observations on if and how electricity retail offer prices have changed following the introduction of the DMO on 1 July 2019.

The observations set out in this Report are based on electricity retail offer prices that were available to residential and small business customers in South Australia on 30 June 2019 and on 31 October 2019. It therefore excludes retail offer prices not offered publicly on these dates.

The Commission estimates that the sample size of electricity customers analysed in the Report is approximately 50 percent for residential customers and 30 percent for small business customers of the respective total customer base in South Australia. All data, tables and figures presented in the Report are therefore only specific to these subsets of customers.

To report on changes in electricity retail offer prices and ensure that any changes in annual bills can be attributed to price movements and not to changes in electricity usage, this Report uses an annual bill with a set level of consumption.

¹ Refer: <https://www.aer.gov.au/news-release/aer-issues-default-market-offer-decision>.

The annual consumptions assumed for electricity customers are:

- ▶ for residential customers with controlled load: 6,000 kWh per annum (general usage of 4,200 kWh per annum and controlled load usage of 1,800 kWh per annum)
- ▶ for residential customers without controlled load: 4,000 kWh per annum
- ▶ for residential customers with solar photovoltaics without controlled load: 4,000 kWh per annum, and
- ▶ for small business customers without controlled load: 20,000 kWh and 100,000 kWh per annum.²

Customer numbers on contracts within the scope of this Report have also been collected from retailers. Based on this information, weighted average prices for customers on Market Offers and Standing Offers have been calculated.

The full set of limitations and assumptions that underpin the analysis are discussed in Annexure B.

This Report contains information based on data that was provided by electricity retailers operating in South Australia to the Commission on a commercial-in-confidence basis. Some sections of this Report therefore provide observations on movements in electricity retail offer prices and customer numbers at an aggregated level. This Report was prepared using the best available information provided to, or sourced by, the Commission.

1.1 Types of electricity offers

Electricity retailers offer consumers three types of electricity retail offers – Default Market Offer, Standing Offers and Market Offers.

1.1.1 Default Market Offer

The DMO price is the maximum price, set annually by the AER for each electricity distribution zone in New South Wales, South Australia and South East Queensland, that an electricity retailer can charge small business and residential customers on standing offer contracts. The DMO is designed to make it easier for customers to compare energy plans across different providers by designating the DMO as the 'reference price' that all National Energy Retail Law (South Australia) Act 2011 (NERL) retailers must compare their publicly available offers against.

The annual DMO price is based on a set amount of electricity usage. Retailers can set different rates, as long as they do not exceed the annual price for that consumption level. While the annual price is a cap on what retailers can charge for their retail Standing Offers, it is not a cap on customers' bills. Individuals' bills will depend on how much electricity they use, where they live and their retailer.

1.1.2 Standing Offers

Each retailer authorised to sell electricity under the NERL must publish retail Standing Offer prices. A retailer is required to make a Standing Offer available to small business and residential 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.

² Analysis of two consumption levels are included in this report for small business customers without controlled load.

Electricity retailers are free to set supply and usage charges for their Standing Offers as long as the total bill is equal to or less than the DMO price.

1.1.3 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 between contracts and can include discounts, different payment options, fixed contract terms, and various other fees and charges.

The DMO does not limit the prices charged to customers on Market Offers. Retailers are also free to change their Market Offers at any time.

1.2 Electricity retailers included in this Report

This Report includes only those retailers which had electricity retail offer prices that were available to residential and small business customers in South Australia as at 30 June 2019 or 31 October 2019.

Table 1: Retailers with electricity retail offers on 30 June 2019 or 31 October 2019

Retailer	Offering Electricity Retail Offers On 30 June 2019		Offering Electricity Retail Offers On 31 October 2019	
	Residential	Small Business	Residential	Small Business
AGL	✓	✓	✓	✓
Alinta Energy	✓	✓	✓	✓
amaysim Energy	✓	✓	✓	✓
BlueNRG	✓	✓	✓	✓
Click Energy	✓	✓	✓	✓
Commander Power & Gas	✓	✓	✓	✓
Diamond Energy	✓	✓	✓	✓
DoDo Power and Gas	✓		✓	
Elysian Energy			✓	✓
Energy Locals	✓	✓	✓	✓
EnergyAustralia	✓	✓	✓	✓
Kogan Energy			✓	
Lumo Energy	✓	✓	✓	✓
Mojo Power			✓	
Momentum Energy	✓	✓	✓	✓
Origin Energy	✓	✓	✓	✓
Powerclub	✓	✓		
Powerdirect	✓	✓	✓	✓
Powershop	✓	✓	✓	✓
QEnergy		✓		
Red Energy	✓	✓	✓	✓
Simply Energy	✓	✓	✓	✓

1.3 Electricity retail price information reported

This Report compares annual electricity bills for small business and residential customers on Standing Offers and Market Offers at 30 June 2019 and at 31 October 2019. The Commission's analysis includes:

- ▶ **overall bill changes** – changes in weighted average retail Standing Offer and retail Market Offer annual bills, and the range of offers publicly available,
- ▶ **changes in the distribution of customer numbers** – number of customers on retail Standing Offer and retail Market Offers, split by annual bill bands, and
- ▶ **disaggregated bill changes** – changes in the retail Standing Offer and lowest-priced retail Market Offer annual bills, by electricity retailer.

1.4 Limitations of analysis

This Report examines prices of electricity retail Standing Offers and Market Offers, before and after the introduction of the DMO on 1 July 2019. To assess the impact, the Commission sought data directly from electricity retailers operating in South Australia. Limitations of the analysis include:

- ▶ Observations are based on electricity retail offer prices publicly available to residential and small business customers in South Australia on 30 June 2019 and on 31 October 2019. Electricity retail offers not available on these dates and the associated number of customers on those offers are excluded from the analysis.
- ▶ The Commission estimates that the sample size of electricity customers analysed in the Report is approximately 50 percent (for residential customers) and 30 percent (for small business customers) of the respective total customer base in South Australia. All data presented in the Report are therefore only specific to these subsets of customers.
- ▶ The range of retail Standing Offer and Market Offer prices refers to offers that were made publicly available by electricity retailers to residential and small business customers on 30 June 2019 and on 31 October 2019. It does not necessarily refer to the uptake of those offers by customers.
- ▶ To the extent possible, the Commission has sought to verify the accuracy of the submitted data against data that it currently collects as part of the Commission's ongoing monitoring of energy retail prices in South Australia and data published on the AER's EnergyMadeEasy website and retailers' websites. However, the analysis in this Report is still reliant on the accuracy of the data submitted by electricity retailers.
- ▶ The 31 October 2019 dataset represents a static snapshot of a point in time around four months after the introduction of DMO. It may be too early to draw any enduring conclusions about the impact of the DMO on the electricity retail market and customer behaviour from the observations in this Report. The impact that the DMO will have on the South Australian electricity retail market is likely to become clearer over a longer period of time.

Additional information about the limitations of and assumptions made in the analysis are provided in Annexure B.

2 Residential customer types

There was a wide range of discounts between the retail Standing Offer and the range of Market Offers provided by each electricity retailer. The observations in subsequent sections of the Report utilise an assumed consumption profile for a representative electricity residential customer, therefore all figures are indicative.

The annual consumption profiles assumed for electricity residential customers are:

- ▶ customers with controlled load (6,000 kWh per annum, assuming annual general usage of 4,200 kWh and annual controlled load usage of 1,800 kWh)
- ▶ customers without controlled load (assuming general usage of 4,000 kWh per annum), and
- ▶ customers with solar photovoltaics without controlled load (assuming general usage of 4,000 kWh per annum).

Due to differences in the type of residential customers (for example, whether the customer has accessibility to controlled load tariffs or solar photovoltaics), the customer base for each consumption profile is different.

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.

Based on the latest figures available on the AER's website in December 2019, approximately 92 percent of electricity residential customers in South Australia were on retail Market Offers with the remaining eight percent of those customers on Standing Offers, at 30 June 2019. These percentage figures relate to the total number of electricity residential customers in South Australia.

The analysis presented in the subsequent sections only relates to the number of electricity residential customers in South Australia that were reported by electricity retailers to be on publicly available electricity retail offers on 30 June 2019 or 31 October 2019.

2.1 Residential customers with controlled load (assuming annual general usage of 4,200 kWh and annual controlled load usage of 1,800 kWh)

Figure 1 shows the weighted average annual residential electricity bill for a residential customer as at 30 June 2019 and 31 October 2019, and the range of publicly available retail Standing Offer and Market Offer prices with controlled load tariffs on those dates.

Both the weighted average annual residential Standing Offer and Market Offer bills decreased by four percent over the four months to 31 October 2019. Retailers have generally responded by setting their retail Standing Offer prices either at or slightly below the DMO price. The difference between the lowest and highest residential electricity retail Market Offers available also narrowed from \$1,393 to \$732 over the four months to 31 October 2019.

Electricity retailers were pricing the majority of their retail Market Offers (approximately 84 percent of all offers) below the DMO, with the remaining 16 percent priced either at or slightly above the DMO price. The DMO does not limit the prices charged to customers on Market Offers.

Figure 1: Weighted average annual electricity retail bills with controlled load tariffs for residential customers (assuming annual general usage of 4,200 kWh and annual controlled load usage of 1,800 kWh) (\$nominal)

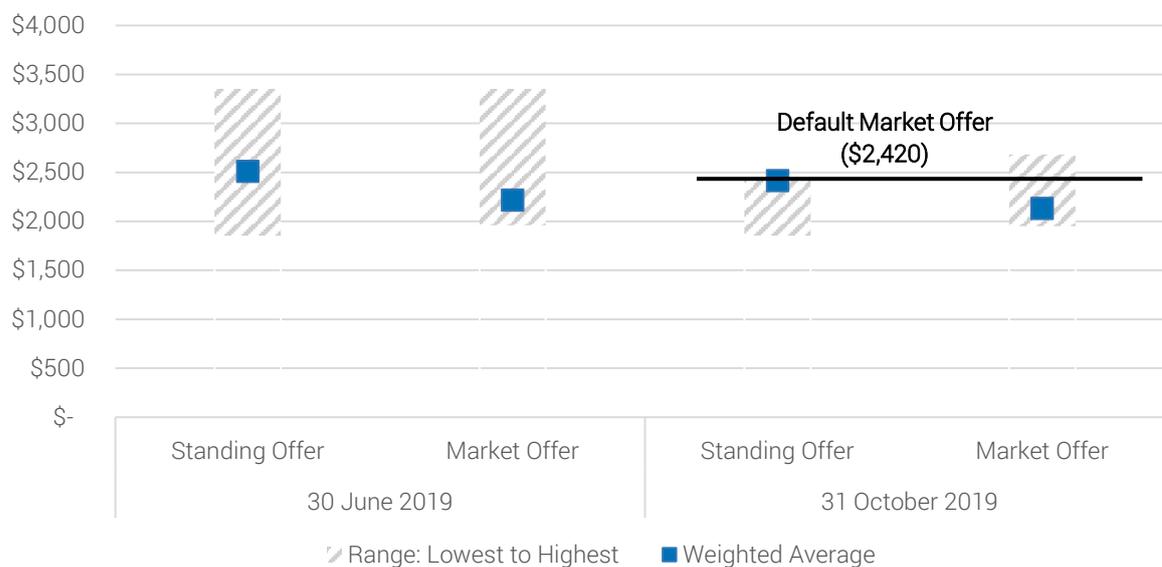


Figure 2 shows the number of residential customers on publicly available retail Standing and Market Offers with controlled load tariffs, split by annual bill price-bands as at 30 June 2019 and 31 October 2019.

Figure 2: Number of residential customers on retail Standing and Market Offers with controlled load tariffs, split by annual bill price-bands (assuming annual general usage of 4,200 kWh and annual controlled load usage of 1,800 kWh) (\$nominal)



Between the two periods, there was a shift of seven percentage points from residential customers on publicly available retail Market Offers with controlled load tariffs to residential customers on retail Standing Offers. However, at 31 October 2019, more residential customers continued to be on retail Market Offers (59 percent) than on Standing Offers (41 percent).

For residential customers on retail Market Offers there was a change in the distribution of customers across price-bands, with more customers on the lower-priced offers (as evidenced by the number of customers on the lower annual bill price-bands) on 31 October 2019 compared to 30 June 2019. Although there has been a reduction in the weighted average annual residential Standing Offer bill, distribution of residential customers on retail Standing Offers across price-bands is similar for the two reporting periods.

Table 2 shows that most electricity retailers have responded to the introduction of the DMO on 1 July 2019 by reducing the prices of their residential retail Standing Offers with controlled load tariffs. As at 31 October 2019, the price reduction ranged from four percent (AGL) to 28 percent (amaysim Energy and Click Energy). Retailers with Standing Offers on or below the DMO at 30 June 2019 left their retail Standing Offer prices unchanged. The AER noted that this may reflect different pricing strategies by retailers reacting early in June 2019 in anticipation of DMO changes.³

Although the majority of retail Market Offers were priced below the retail Standing Offer prices, the range of the available discount between the prices of retailers' retail Standing Offer and lowest-priced retail Market Offers has narrowed. Since the introduction of the DMO, the spread of the available discount has reduced from 24 percentage points (ranging from five percent to 29 percent as at 30 June 2019) to 12 percentage points (ranging from five percent to 17 percent as at 31 October 2019).

Of the 22 electricity retailers, six retailers reduced their lowest-priced retail Market Offers, with the price reductions ranging from one percent (Powerdirect) to six percent (AGL and Powershop). Seven other retailers increased their lowest-priced Market Offers, with the price increases ranging from two percent (Alinta Energy) to 13 percent (Simply Energy).

³ Refer: https://www.aer.gov.au/system/files/Affordability%20in%20retail%20energy%20markets%20-%20September%202019_0.pdf.

Table 2: Annual bill movements in residential retail Standing and lowest-priced Market Offers with controlled load tariffs, at 30 June 2019 compared to 31 October 2019, by retailer (assuming annual general usage of 4,200 kWh and annual controlled load usage of 1,800 kWh) (\$nominal)

Retailer	Standing offer			Lowest-priced Market Offer		
	30-Jun-19	31-Oct-19	Change (percentage)	30-Jun-19	31-Oct-19	Change (percentage)
AGL	\$2,513	\$2,419	-4	\$2,197	\$2,056	-6
Alinta Energy	\$2,708	\$2,420	-11	\$2,135	\$2,169	2
amaysim Energy	\$3,353	\$2,420	-28	\$2,582	\$2,582	0
BlueNRG	\$1,854	\$1,854	0	-	-	-
Click Energy	\$3,353	\$2,420	-28	\$2,391	\$2,275	-5
Commander Power & Gas	\$2,934	\$2,420	-18	\$2,268	\$2,214	-2
Diamond Energy	\$2,294	\$2,294	0	\$2,168	\$2,168	0
DoDo Power and Gas	\$3,045	\$2,420	-21	\$2,247	\$2,214	-2
Elysian Energy	-	-	-	-	\$2,192	-
Energy Locals	\$2,428	\$2,419	0	\$2,106	\$2,223	6
EnergyAustralia	\$2,734	\$2,420	-11	\$2,200	\$2,274	3
Kogan Energy	-	-	-	-	\$2,101	-
Lumo Energy	\$2,419	\$2,419	0	\$2,129	\$2,226	5
Mojo Power	-	\$2,172	-	-	-	-
Momentum Energy	\$2,664	\$2,420	-9	\$2,178	\$2,178	0
Origin Energy	\$2,393	\$2,393	0	\$1,960	\$1,997	2
Powerclub	-	-	-	\$2,102	\$0	-
Powerdirect	-	-	-	\$1,966	\$1,950	-1
Powershop	\$2,624	\$2,419	-8	\$2,236	\$2,103	-6
QEnergy	\$2,189	-	-	\$2,306	-	-
Red Energy	\$2,419	\$2,419	0	\$2,209	\$2,269	3
Simply Energy	\$2,638	\$2,420	-8	\$2,223	\$2,520	13

2.2 Residential customers without controlled load (assuming general usage of 4,000 kWh)

Figure 3 shows the weighted average annual residential electricity bill for a residential customer as at 30 June 2019 and 31 October 2019, and the range of publicly available retail Standing Offer and Market Offer prices with controlled load tariffs on those dates.

The weighted average annual residential Standing Offer and Market Offer bills decreased by three percent and seven percent respectively over the four months to 31 October 2019. Retailers have generally responded by setting their retail Standing Offer prices either at or slightly below the DMO prices. The difference between the lowest and highest residential electricity retail Market Offers available also narrowed from \$939 to \$439 over the four months to 31 October 2019.

Electricity retailers were pricing the majority of their retail Market Offers (approximately 91 percent of all offers) below the DMO, with the remaining nine percent priced either at or slightly above the DMO price. The DMO does not limit the prices charged to customers on Market Offers.

Figure 3: Weighted average annual electricity retail bills without controlled load tariffs for residential customers (assuming annual general usage of 4,000 kWh) (\$nominal)

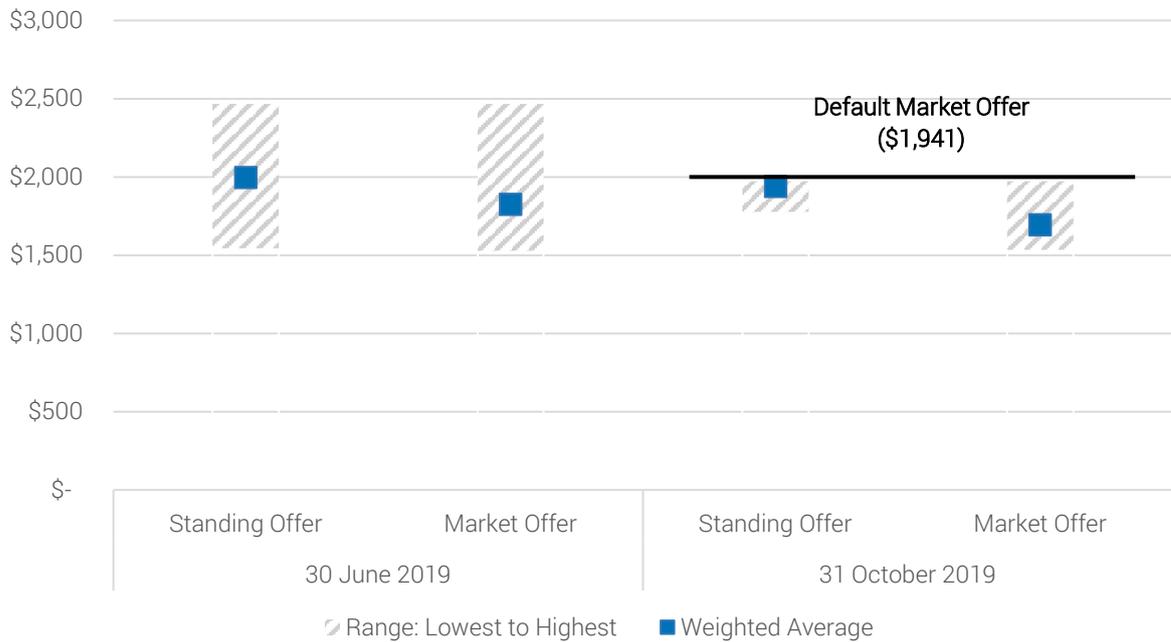
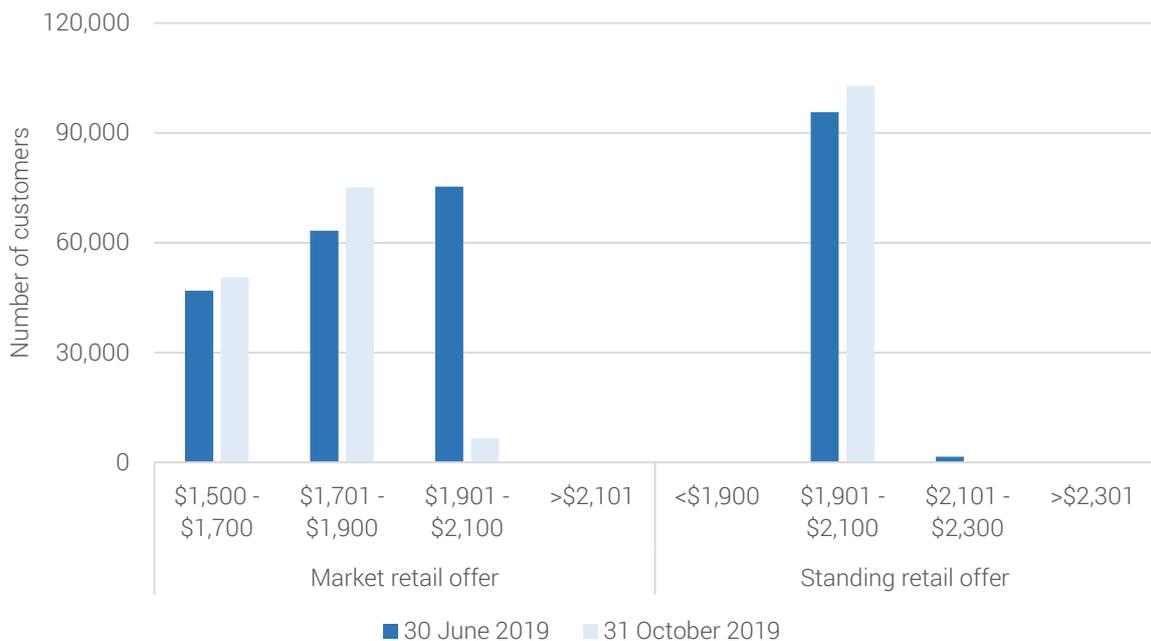


Figure 4 shows the number of residential customers on publicly available retail Standing and Market Offers without controlled load tariffs, split by annual bill price-bands as at 30 June 2019 and 31 October 2019.

Figure 4: Number of residential customers on retail Standing and Market Offers without controlled load tariffs, split by annual bill price-bands (assuming annual general usage of 4,000 kWh) (\$nominal)



Between the two periods, there was a shift of nine percentage points from residential customers on publicly available retail Market Offers with controlled load tariffs to residential customers on retail Standing Offers. However, at 31 October 2019, more residential customers continued to be on retail Market Offers (56 percent) than on Standing Offers (44 percent).

For residential customers on retail Market Offers there was a change in the distribution of customers across price-bands, with more customers on the lower-priced offers (as evidenced by the number of customers on the lower annual bill price-bands) on 31 October 2019 compared to 30 June 2019. Although there has been a reduction in the weighted average annual residential Standing Offer bill, the distribution of residential customers on retail Standing Offers across annual bill price-bands is similar for the two reporting periods.

Table 3 shows that most electricity retailers have responded to the introduction of the DMO on 1 July 2019 by reducing the prices of their residential retail Standing Offers without controlled load tariffs. As at 31 October 2019, the price reduction ranged from one percent (Energy Locals) to 21 percent (amaysim Energy and Click Energy). One retailer increased its residential retail Standing Offer price by 25 percent (QEnergy).

Although the majority of retail Market Offers were priced below the retail Standing Offer prices, the range of the available discount between the prices of retailers' retail Standing Offer and lowest-priced retail Market Offers has narrowed. Since the introduction of the DMO, the spread of the available discount has reduced from 29 percentage points (ranging from six percent to 35 percent as at 30 June 2019) to 18 percentage points (ranging from two percent to 20 percent as at 31 October 2019).

Of the 22 electricity retailers, three retailers reduced their lowest-priced retail Market Offers, with the price reductions ranging from one percent (EnergyAustralia) to six percent (AGL). Ten other retailers increased their lowest-priced Market Offers, with the price increases ranging from one percent (Commander Power and Gas, Origin Energy and QEnergy) to 14 percent (Click Energy).

Table 3: Annual bill movements in residential retail Standing and lowest-priced Market Offers without controlled load tariffs, at 30 June 2019 compared to 31 October 2019, by retailer (assuming annual general usage of 4,000 kWh) (\$nominal)

Retailer	Standing offer			Lowest-priced Market Offer		
	30-Jun-19	31-Oct-19	Change (percentage)	30-Jun-19	31-Oct-19	Change (percentage)
AGL	\$1,996	\$1,940	-3	\$1,753	\$1,649	-6
Alinta Energy	\$2,186	\$1,941	-11	\$1,667	\$1,766	6
amaysim Energy	\$2,467	\$1,940	-21	\$1,900	\$1,900	0
BlueNRG	\$1,778	\$1,778	0	-	-	-
Click Energy	\$2,467	\$1,940	-21	\$1,604	\$1,824	14
Commander Power and Gas	\$2,337	\$1,941	-17	\$1,765	\$1,783	1
Diamond Energy	\$1,813	\$1,813	0	\$1,704	\$1,704	0
DoDo Power and Gas	\$2,422	\$1,941	-20	\$1,732	\$1,783	3
Elysian Energy	-	-	-	-	\$1,710	-
Energy Locals	\$1,865	\$1,842	-1	\$1,565	\$1,657	6
EnergyAustralia	\$2,286	\$1,941	-15	\$1,848	\$1,821	-1
Kogan Energy	-	-	-	-	\$1,611	-
Lumo Energy	\$1,940	\$1,940	0	\$1,696	\$1,785	5
Mojo Power	-	\$1,777	-	-	-	-
Momentum Energy	\$2,091	\$1,941	-7	\$1,719	\$1,719	0
Origin Energy	\$1,930	\$1,930	0	\$1,544	\$1,553	1
Powerclub	-	-	-	\$1,624	-	-
Powerdirect	-	-	-	\$1,528	\$1,535	0
Powershop	\$2,015	\$1,939	-4	\$1,676	\$1,648	-2
QEnergy	\$1,545	\$1,933	25	\$1,875	\$1,900	1
Red Energy	\$1,940	\$1,940	0	\$1,746	\$1,814	4
Simply Energy	\$2,000	\$1,941	-3	\$1,632	\$1,800	10

2.3 Residential customers with solar photovoltaics without controlled load (assuming general usage of 4,000 kWh)

Figure 5 shows the weighted average annual residential electricity bill for a solar residential customer as at 30 June 2019 and 31 October 2019, and the range of publicly available retail solar Standing Offer and Market Offer prices without controlled load tariffs on those dates. The analysis of this customer group does not take into account the benefits of solar feed-in tariffs and is strictly a comparison of retail electricity offers publicly available to residential solar customers assuming general usage of 4,000 kWh.

The weighted average annual residential Standing Offer and Market Offer bills decreased by three percent and eight percent respectively over the four months to 31 October 2019. Retailers have generally responded by setting their retail Standing Offer prices either at or slightly below the DMO prices. The difference between the lowest and highest residential electricity retail Market Offers available also narrowed from \$545 to \$439 over the four months to 31 October 2019.

Electricity retailers were pricing the majority of their retail Market Offers (approximately 91 percent of all offers) below the DMO, with the remaining nine percent priced either at or slightly below the DMO prices. The DMO does not limit the prices charged to customers on Market Offers.

Figure 5: Weighted average annual electricity retail bills without controlled load tariffs for solar residential customers (assuming annual general usage of 4,000 kWh) (\$nominal)

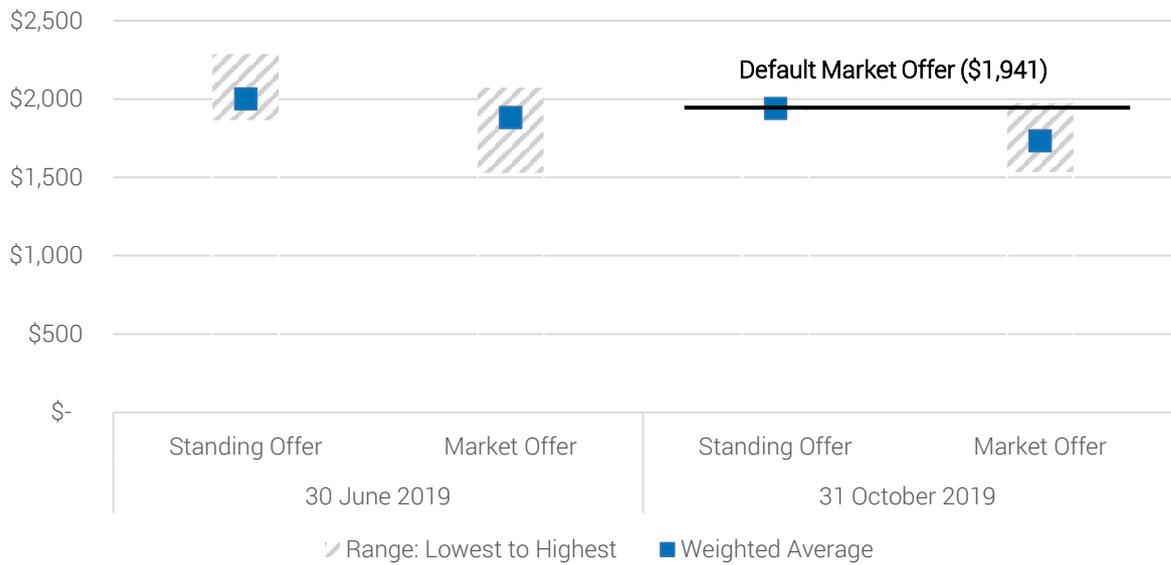
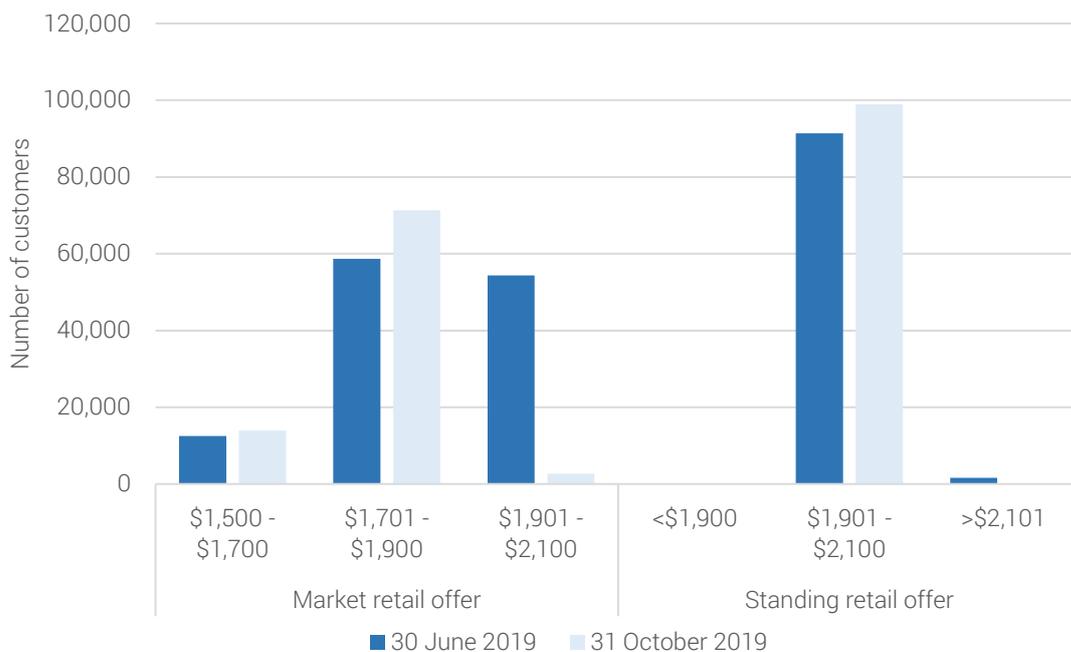


Figure 6 shows the number of residential customers on retail solar Standing and Market Offers without controlled load tariffs, split by annual bill price-bands as at 30 June 2019 and 31 October 2019.

Figure 6: Number of residential customers on retail solar Standing and Market Offers without controlled load tariffs, split by annual bill price-bands (assuming annual general usage of 4,000 kWh) (\$nominal)



Between the two periods, there was a shift of 10 percentage points from residential customers on publicly available retail solar Market Offers without controlled load tariffs to residential customers on retail solar Standing Offers without controlled load. At 31 October 2019, more residential customers were on retail Standing Offers (53 percent) than retail Market Offers (47 percent).

For residential customers on retail Market Offers there was a change in the distribution of customers across price-bands, with more of those customers on the lower-priced offers (as evidenced by the number of customers on the lower annual bill price-bands) on 31 October 2019 compared to 30 June 2019. Although there has been a reduction in the weighted average annual residential Standing Offer bill, distribution of residential customers on retail Standing Offers across price-bands is similar for the two reporting periods.

Table 4 shows that only some electricity retailers were retailing solar Standing Offers without controlled load tariffs, and that some of those retailers have responded to the introduction of the DMO on 1 July 2019 by reducing their prices. As at 31 October 2019, the price reduction ranged from three percent (AGL) to 15 percent (EnergyAustralia). One retailer increased its solar Standing Offer without controlled load price by four percent (Energy Locals).

The majority of retail solar Market Offers were priced below the retail Standing Offer prices. Since the introduction of the DMO, the spread of the available discount between the prices of retailers' retail Standing Offer and lowest-priced retail Market Offers has increased from 10 percentage points (ranging from 10 percent to 20 percent as at 30 June 2019) to 14 percentage points (ranging from six percent to 20 percent as at 31 October 2019).

Of the 13 electricity retailers, two retailers reduced their lowest-priced retail solar Market Offers, with the price reductions ranging from one percent (EnergyAustralia) to six percent (AGL). Five other retailers increased their lowest-priced Market Offers, with the price increases ranging from one percent (Origin Energy) to 10 percent (Click Energy).

Table 4: Annual bill movements in residential retail solar Standing and lowest-priced Market Offers without controlled load tariffs, at 30 June 2019 compared to 31 October 2019, by retailer (assuming annual general usage of 4,000 kWh) (\$nominal)

Retailer	Standing offer			Lowest-priced Market Offer		
	30-Jun-19	31-Oct-19	Change (percentage)	30-Jun-19	31-Oct-19	Change (percentage)
AGL	\$1,996	\$1,940	-3	\$1,753	\$1,649	-6
amaysim Energy	-	\$1,940	-	\$1,974	\$1,974	0
Click Energy	-	\$1,940	-	\$1,653	\$1,824	10
Diamond Energy	-	-	-	\$1,704	\$1,704	0
Elysian Energy	-	-	-	-	\$1,710	-
Energy Locals	\$1,865	\$1,938	4	\$1,565	\$1,657	6
EnergyAustralia	\$2,286	\$1,941	-15	\$1,848	\$1,821	-1
Lumo Energy	\$1,940	\$1,940	0	\$1,696	\$1,785	5
Momentum Energy	\$2,091	\$1,941	-7	\$1,719	\$1,719	0
Origin Energy	\$1,930	\$1,930	0	\$1,544	\$1,553	1
Powerclub	-	-	-	\$1,624	-	-
Powerdirect	-	-	-	\$1,528	\$1,535	0
Red Energy	\$1,940	\$1,940	0	\$1,746	\$1,814	4

Some solar residential customers may also receive a Retailer Feed-In Tariff (**R-FiT**) from their electricity retailer for energy exported from eligible roof-top solar photovoltaic generators, in addition to those payable by SA Power Networks. Payments received for energy exports provide a financial benefit to customers and reduce their energy bills.

Although the Minister's information request does not require the Commission to consider the financial benefits of solar exports in the analysis, a summary of available R-FiT payments is provided below. Table 5 shows the amount of R-FiT payments offered by retailers to their solar residential customer as at 30 June 2019 and 31 October 2019.

Table 5: Retailer-paid component of the solar feed-in tariff amounts paid by electricity retailers
(cents per kWh, GST exclusive) (\$nominal)

Retailer	30 June 2019	31 October 2019
AGL	16.3 to 20.0	14.2 to 18
amaysim Energy	22	10 to 22
Click Energy	15 to 22	10 to 17
Diamond Energy	12	12
Elysian Energy	-	9.6
Energy Locals	9 to 16	15.5 to 16
EnergyAustralia	15	15
Lumo Energy	16	15 to 16
Momentum Energy	6.8	6.8
Origin Energy	10 to 20	10 to 25
Powerclub	11.5	-
Powerdirect	16.3	14.2
Red Energy	15 to 16	14.2 to 16

3 Small business customer types

There was a wide range of discounts between the retail Standing Offer and the range of Market Offers provided by each electricity retailer. The observations in subsequent sections utilise an assumed consumption profile for a representative electricity small business customer, therefore all figures are indicative.

The annual consumption profiles assumed for electricity small business customers are:

- ▶ customers without controlled load consuming 20,000 kWh per annum, and
- ▶ customers without controlled load consuming 100,000 kWh per annum.

Because there are no differences in the type of customers (for example, whether the customer has accessibility to controlled load tariffs or solar photovoltaics), the customer base for each consumption profile is the same.

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 30 June 2019, approximately 85 percent of electricity small business customers in South Australia were on retail Market Offers with the remaining 15 percent of those customers on Standing Offers. These are the latest figures available on the Australian Energy Regulator's website in December 2019. These percentage figures relate to the total number of electricity small business customers in South Australia.

The analysis presented in the subsequent sections below only relates to the number of small business customers in South Australia that were reported by electricity retailers to be on publicly available electricity retail offers without controlled load on 30 June 2019 or 31 October 2019.

3.1 Small business customers without controlled load consuming 20,000 kWh per annum

Figure 7 shows the weighted average annual small business electricity bill for a small business customer as at 30 June 2019 and 31 October 2019, and the range of publicly available retail Standing Offer and Market Offer prices without controlled load tariffs on those dates.

The weighted average annual small business Standing Offer and Market Offer bills decreased by seven percent and two percent respectively over the four months to 31 October 2019. Retailers have generally responded by setting their retail Standing Offer prices either at or below the DMO price. The difference between the lowest and highest small business electricity retail Market Offers available also narrowed from \$4,070 to \$2,074 over the four months to 31 October 2019.

Electricity retailers were pricing the majority of their retail Market Offers (approximately 95 percent of all offers) below the DMO, with the remaining five percent priced either at or slightly above the DMO prices. The DMO does not limit the prices charged to customers on Market Offers.

Figure 7: Weighted average annual electricity retail bill without controlled load tariffs for small business customers (assuming annual general usage of 20,000 kWh) (\$nominal)

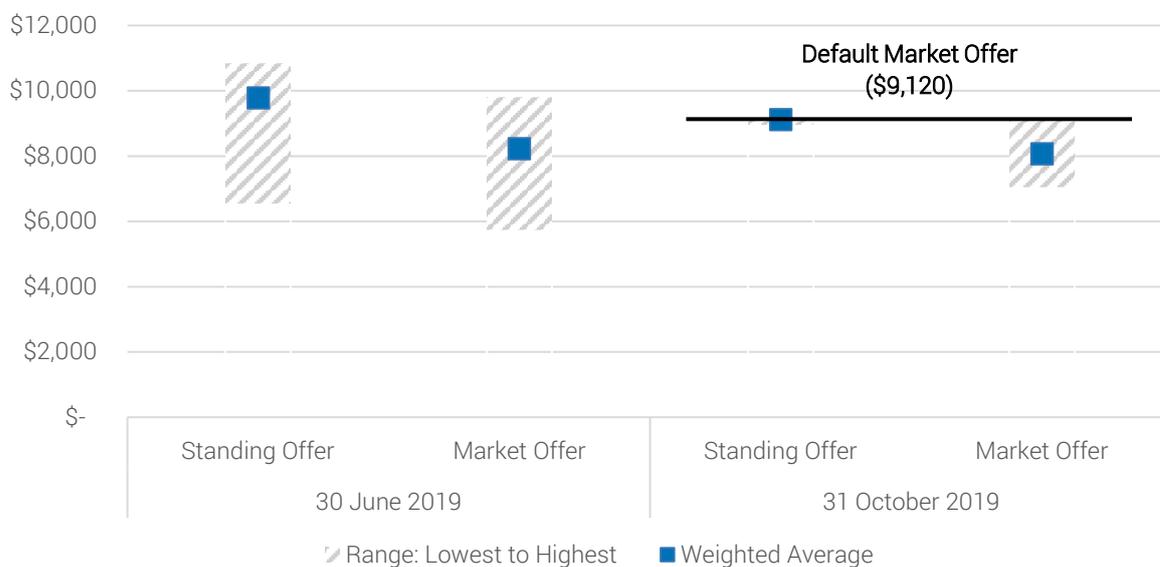


Figure 8 shows the number of small business customers on retail Standing and Market Offers without controlled load tariffs, split by annual bill price-bands as at 30 June 2019 and 31 October 2019.

Figure 8: Number of small business customers on retail Standing and Market Offers without controlled load tariffs, split by annual bill price-bands (assuming annual general usage of 20,000 kWh) (\$nominal)



Between the two periods, there was a shift of nineteen percentage points from small business customers on publicly available retail Market Offers without controlled load tariffs to small business customers on publicly available retail Standing Offers without controlled load. As at 31 October 2019, more small business customers were on retail Standing Offers (72 percent) than retail Market Offers (28 percent).

For small business customers on retail Market Offers there was a change in the distribution of customers across price-bands, with the majority of customers being in the middle-priced band on 31 October 2019 compared to 30 June 2019 when customers were distributed more towards the lower-priced bands. Distribution of small business customers on retail Standing Offers shifted from the higher-priced bands to the lower-priced band.

Table 6 shows that most electricity retailers have responded to the introduction of the DMO on 1 July 2019 by reducing the prices of their small business retail Standing Offers without controlled load tariffs. As at 31 October 2019, the price reduction ranged from one percent (Diamond Energy) to 16 percent (EnergyAustralia). Two retailers increased their retail Standing Offer price, one by three percent (Powershop) and the other by 17 percent (Energy Locals).

Although the majority of retail Market Offers were priced below the retail Standing Offer prices, the range of the available discount between the prices of retailers' retail Standing Offer and lowest-priced retail Market Offers has narrowed. Since the introduction of the DMO, the spread of the available discount has reduced from 20 percentage points (ranging from four percent to 24 percent as at 30 June 2019) to 14 percentage points (ranging from 4 percent to 18 percent as at 31 October 2019).

Of the 17 electricity retailers, three retailers reduced their lowest-priced retail Market Offers, with the price reductions ranging from four percent (AGL) to 17 percent (Click Energy). Five other retailers increased their lowest-priced Market Offers, with the price increases ranging from one percent (Alinta Energy) to nine percent (Energy Locals).

Table 6: Annual bill movements in small business retail Standing and lowest-priced Market Offers without controlled load tariffs, at 30 June 2019 compared to 31 October 2019, by retailer (assuming annual general usage of 20,000 kWh) (\$nominal)

Retailer	Standing offer			Lowest-priced Market Offer		
	30-Jun-19	31-Oct-19	Change (percentage)	30-Jun-19	31-Oct-19	Change (percentage)
AGL	\$9,803	\$9,118	-7	\$7,872	\$7,568	-4
Alinta Energy	\$10,217	\$9,119	-11	\$7,754	\$7,837	1
amaysim Energy	\$10,451	\$9,120	-13	\$8,152	\$8,152	0
BlueNRG	\$8,959	\$8,959	0	\$8,576	\$8,576	0
Click Energy	\$10,451	\$9,120	-13	\$9,406	\$7,843	-17
Diamond Energy	\$9,143	\$9,084	-1	\$8,176	\$8,176	0
Elysian Energy	-	-	-	-	\$7,607	-
Energy Locals	\$7,797	\$9,115	17	\$7,111	\$7,722	9
EnergyAustralia	\$10,840	\$9,120	-16	\$8,694	\$8,664	0
Lumo Energy	\$9,118	\$9,118	0	\$7,622	\$8,023	5
Momentum Energy	\$9,597	\$9,119	-5	\$7,493	\$7,493	0
Origin Energy	\$9,109	\$9,109	0	\$7,272	\$7,661	5
Powerclub	-	-	-	\$5,733	-	-
Powerdirect	-	-	-	\$7,539	\$7,046	-7
Powershop	\$8,811	\$9,118	3	\$7,572	\$7,572	0
QEnergy	\$6,547	-	-	\$6,985	-	-
Red Energy	-	-	-	\$7,944	\$8,072	2

3.2 Small business customers without controlled load consuming 100,000 kWh per annum

Figure 9 shows the weighted average annual small business electricity bill for a small business customer as at 30 June 2019 and 31 October 2019, and the range of publicly available retail Standing Offer and Market Offer prices without controlled load tariffs on those dates.

The weighted average annual small business Standing Offer and Market Offer bills decreased by seven percent and two percent respectively over the four months to 31 October 2019. The difference between the lowest and highest small business electricity retail Market Offers available also narrowed from \$21,885 to \$10,030 over the four months to 31 October 2019.

The AER does not set DMO for small business customers without controlled load consuming 100,000 kWh per annum.

Figure 9: Weighted average annual electricity retail bills without controlled load tariffs for small business customers (assuming annual general usage of 100,000 kWh) (\$nominal)



Figure 10 shows the number of small business customers on retail Standing and Market Offers without controlled load tariffs, split by annual bill price-bands as at 30 June 2019 and 31 October 2019.

Figure 10: Number of small business customers on retail Standing and Market Offers without controlled load tariffs, split by annual bill price-bands (assuming annual general usage of 100,000 kWh) (\$nominal)



Between the two periods, there was a shift of nineteen percentage points from small business customers on publicly available retail Market Offers without controlled load tariffs to small business customers on publicly available retail Standing Offers without controlled load. As at 31 October 2019, more small business customers were on retail Standing Offers (72 percent) than retail Market Offers (28 percent).

For small business customers on retail Market Offers there was a change in the distribution of customers, with a greater proportion on lower-priced bands on 31 October 2019 compared to 30 June 2019. Distribution of small business customers on retail Standing Offers also shifted from the higher-priced bands to the lower-priced band.

Table 7 shows that most electricity retailers have responded to the introduction of the DMO on 1 July 2019 by reducing the prices of their small business retail Standing Offers without controlled load tariffs. As at 31 October 2019, the price reduction ranged from five percent (Momentum Energy) to 16 percent (EnergyAustralia). Two retailers increased their retail Standing Offer price, one by three percent (Powershop) and the other by nine percent (Energy Locals).

Although the majority of retail Market Offers were priced below the retail Standing Offer prices, the range of the available discount between the prices of retailers' retail Standing Offer and lowest-priced retail Market Offers has narrowed. Since the introduction of the DMO, the spread of the available discount has reduced from 21 percentage points (ranging from four percent to 25 percent as at 30 June 2019) to 14 percentage points (ranging from 4 percent to 18 percent as at 31 October 2019).

Of the 17 electricity retailers, three retailers reduced their lowest-priced retail Market Offers, with the price reductions ranging from four percent (AGL) to 17 percent (Click Energy). Five other retailers increased their lowest-priced Market Offers, with the price increases ranging from one percent (Alinta Energy) to seven percent (Energy Locals).

Table 7: Price movements in small business retail Standing and lowest-priced Market Offers without controlled load tariffs, at 30 June 2019 compared to 31 October 2019, by retailer (assuming annual general usage of 100,000 kWh) (\$nominal)

Retailer	Standing offer			Lowest-priced Market Offer		
	30-Jun-19	31-Oct-19	Change (percentage)	30-Jun-19	31-Oct-19	Change (percentage)
AGL	\$47,555	\$44,159	-7	\$38,073	\$36,652	-4
Alinta Energy	\$49,632	\$44,143	-11	\$37,315	\$37,730	1
amaysim Energy	\$50,931	\$44,276	-13	\$39,726	\$39,726	0
BlueNRG	\$42,865	\$42,865	0	\$40,951	\$40,951	0
Click Energy	\$50,931	\$44,276	-13	\$45,838	\$38,077	-17
Diamond Energy	\$44,303	\$44,244	0	\$39,820	\$39,820	0
Elysian Energy	-	-	-	-	\$35,579	-
Energy Locals	\$35,949	\$39,115	9	\$34,383	\$36,922	7
EnergyAustralia	\$52,720	\$44,026	-16	\$42,032	\$41,825	0
Lumo Energy	\$44,022	\$44,022	0	\$36,799	\$38,735	5
Momentum Energy	\$46,381	\$43,991	-5	\$35,925	\$35,925	0
Origin Energy	\$44,107	\$44,107	0	\$34,920	\$37,088	6
Powerclub	-	-	-	\$25,671	-	-
Powerdirect	-	-	-	\$36,368	\$34,123	-6
Powershop	\$42,267	\$43,518	3	\$36,295	\$36,295	0
QEnergy	\$31,452	-	-	\$33,641	-	-
Red Energy	-	-	-	\$38,352	\$38,960	2

Annexure A Minister for Energy and Mining's information request

**Hon Dan
van Holst Pellekaan MP**



MEM19V0837

Mr Adam Wilson
Chief Executive Officer
Essential Services Commission of South Australia
GPO Box 2605
ADELAIDE SA 5001

Request under Part 12 of the Electricity (General) Regulations 2012

Dear Mr Wilson *Adam*

As you would be aware the South Australian Government is committed to reducing consumer's electricity bills.

A significant new policy has recently commenced in relation to the retailing of electricity. The Commonwealth Government has implemented a Default Market Offer in the electricity retail market, with the policy applying from 1 July 2019.

The South Australian Government has expressed concern that the policy will have unintended consequences. For this reason the South Australian Government considers it imperative that independent, local monitoring of electricity prices is undertaken.

I therefore request, under the Electricity (General) Regulations 2012 part 12(d), that the Commission provides additional electricity price monitoring, as specified in Attachment A, as part of the Commission's Energy Retail Offers Comparison Reporting requirement.

I note that the legislation requires the Commission to submit their report on or before August each year. I would appreciate if the Commission could provide a report covering the matters outlined in Attachment A by 31 March 2020, and a subsequent report by 31 March 2021. At this point the Government will assess the need for ongoing reporting.

I request that the Commission continue to provide its current standard reporting in its August Energy Retail Offers Comparison Reports.

Minister for Energy and Mining
Level 17, 25 Grenfell Street Adelaide SA 5000 | GPO Box 974 Adelaide SA 5001 | DX 114
Tel +61 8 8226 1300 | Email dem.ministervhp@sa.gov.au | ABN 83 524 915 929





The South Australian Government thanks the Commission for its continued dedication to the protection of the long-term interests of South Australian consumers.

Should you have any questions in relation to this matter, please contact Ms Rebecca Knights, Director - Energy Policy and Projects, Energy and Technical Regulation Division, Department for Energy and Mining on (08) 8429 3185.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Dan van Holst Pellekaan'.

Hon Dan van Holst Pellekaan MP
MINISTER FOR ENERGY AND MINING

9 / 9 / 2019

Attachment A: Information Request pursuant to section 12 of the Electricity (General) Regulations 2012



INFORMATION REQUEST

This information request is pursuant to section 12 of the Electricity (General) Regulations 2012.

In addition to the current information ESCOSA presents in their Energy Retail Offers Comparison Report, in accordance with section 12(2)(d) of the Electricity (General) Regulations 2012, the following additional information should be included in supplementary reports prepared for the purposes of monitoring prices for the sale of electricity:

- Electricity *market retail contract* (as defined by the National Energy Retail Law) prices and the relevant customer numbers on these contracts.
- Electricity *standard retail contract* (as defined by the National Energy Retail Law) prices and the relevant customer numbers on these contracts.

The presentation of all standing offer and market offer prices and market and standard retail contract prices must also include presentation by customer type and on consumption levels for each relevant customer type as determined by the AER's Final Benchmark Consumption Levels (i.e. a 4,000kWh p.a residential consumer without controlled load).

Relevant customer types are:

- residential customers with controlled load (assuming 6,000 kWh p.a);
- residential customers without controlled load (assuming 4,000 kWh p.a);
- residential customers with solar photovoltaics without controlled load (assuming 4,000 kWh p.a);
- small business customers without controlled load (assuming 20,000 kWh p.a); and
- small business customers without controlled load with consumption of 100MWh per annum.

In accordance with 12(3) of the Electricity (General) Regulations 2012 I request a report providing this new information by 31 March 2020. The report should include a comparison of this information from 30 June 2019 to 31 October 2019.

A further report, providing an update on this information, is also requested by 31 March 2021.

The reports will be prepared using the best available information provided to, or sourced by, the Commission (as determined by the Commission).

These supplementary reports are requested in addition to the Commission's Energy Retail Offers Comparison Report, which currently reports for residential customers consuming 5,000 kWh p.a and small businesses consuming 10,000 kWh p.a. This information should continue to be provided as is currently the case.

Annexure B Assumptions and limitations

B.1 Data sources

Electricity pricing data have been sourced directly from the electricity retailers.

All 'open' and 'available' Standing Offer and Market Offer data were provided by the electricity retailers including customer numbers on those offers. Some retailers have claimed confidentiality over the customer number data submitted on the basis that the information is commercially sensitive. Accordingly, when reporting on customer numbers, the report aggregates retailers and retailer offers.

As this analysis takes a snapshot of the market at a particular time, the conclusions drawn in this Report only apply to the market on 30 June 2019 and 31 October 2019. The report does not include offers that were publicly available outside of these two dates.

Current offers are available on the Australian Energy Regulator's Energy Made Easy website.

B.2 Electricity 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 electricity consumption profiles assumed below at B.4.

B2.1 Timing of analysis

This Report has adopted a 'point in time' approach to the analysis of electricity retail offer prices, where comparisons are made at particular dates. Only those offers publicly available on a particular date (that is, 30 June 2019 or 31 October 2019) are included in the analysis, as opposed to including all offers that which might have been available between the two dates.

B2.2 Time-of-use

The DMO set by the AER does not cover electricity retail offers with either time-of-use or demand tariffs. Accordingly, all time-of-use/demand offers have been excluded from the Report.

B2.3 Customer numbers

This Report only relates to customers on electricity offers publicly available to South Australian electricity customers as at 30 June 2019 and at 31 October 2019. All information that relates to customers on offers that fall outside of those dates are therefore excluded.

Accordingly, the analysis contained in this Report only relates to a subset of the overall electricity retail market. For example, it excludes customers on electricity retail offers that were not publicly available to new customers on 30 June 2019 or 31 October 2019.

The Commission estimates that the sample size of electricity customers analysed in this Report is approximately 50 percent (for residential customers) and 30 percent (for small business customers) of the respective total customer base in South Australia.

A customer who receives two accounts, for example for different properties, is counted twice.

B2.4 Average values

All averages quoted in this Report are weighted averages.

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 profiles for electricity customers analysed are:

- ▶ residential customers with controlled load: 6,000 kWh (general usage of 4,200 kWh per annum and controlled load usage of 1,800 kWh per annum)
- ▶ residential customers without controlled load: 4,000 kWh per annum
- ▶ residential customers with solar photovoltaics without controlled load: 4,000 kWh per annum
- ▶ small business customers without controlled load: 20,000 kWh per annum, and
- ▶ small business customers without controlled load: 100 MWh per annum.

These annual average consumption profiles are specified in the Minister's information request and are largely consistent with those used by the AER to set the DMO.

These consumption profile assumptions are different to those used by the Commission in the annual energy retail price offers comparison reports it also provides to the Minister.

B.5 Treatment of discounts/benefits

Electricity retail contracts contain various price and non-price aspects. In estimating annual electricity 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 electricity 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.6 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.7 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.



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