Energy

Energy Retail Price Comparison Report 2019-20

Report to the Minister for Energy and Mining

August 2020

Public – I2 – A2

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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(South Australia) Act 2011*, 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	South Australian Minister for Energy and Mining
MJ	Megajoule
MWh	Megawatt hour
NERL	*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	2019-20 Energy Retail Price Offer Comparison Report required annually by Electricity (General) Regulations 2012, Regulation 12 and the Gas Regulations 2012, Regulation 6 (refer Annexure A).
Retailers	Energy retailers authorised to sell electricity and gas to customers in South Australia under the *National Energy Retail Law (South Australia) Act 2011*
R-FiT	Retailer-paid component of the solar feed-in tariff

Term	Description
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 1996* 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 the default offer contracts 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 2019-20 Report compares electricity and gas retail price offers available to South Australian residential and small business customers at 30 June 2019 and 30 June 2020.

The Report provides a snapshot of energy retail price offers available in the market over the twelve month period to 30 June 2020. 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 from 1 July 2020, or the determination made by the Australian Energy Regulator (**AER**) on Default Market Offer (**DMO**) electricity prices to apply from that date.[1] The impact of the Default Market Offer on electricity retail Standing Offer and Market Offer prices is monitored through a separate Supplementary Electricity Retail Price Offers Comparison Report published by the Commission pursuant to the *Electricity (General) Regulations 2012*, available on the Commission's website.

Average annual electricity retail Standing Offer and Market Offer prices for both residential and small business customers decreased over the 12 months to 30 June 2020.

- Average residential annual electricity retail Standing Offer and Market Offer prices fell by 13 percent and four percent respectively over the 12 months to 30 June 2020. This is equivalent to an average annual bill reduction of $331 for a customer on a Standing Offer contract and a $96 reduction for a customer on a Market Offer contract. This reduced the average discount between the two types of offers from $442 to $207.
- Average small business annual electricity retail Standing Offer and Market Offer prices fell by six percent and four percent respectively over the 12 months to 30 June 2020. This is equivalent to an average annual bill reduction of $288 for a customer on a Standing Offer contract and a $153 reduction for a customer on a Market Offer contract. This reduced the average discount between the two types of offers from $734 to $600.

Average annual gas retail Standing Offer and Market Offer prices for both residential and small business customers increased over the 12 months to 30 June 2020.

- Average residential annual gas retail Standing Offer and Market Offer prices increased by six percent and three percent respectively over the 12 months to 30 June 2020. This is equivalent to an average annual bill increase of $63 for a customer on a Standing Offer contract and a $28 increase for a customer on a Market Offer contract. This increased the average discount between the two types of offers from $126 to $162.

[1] Further information on the introduction of Default Market Offer from 1 July 2020 can be accessed from the Australian Energy Regulatory website at: https://www.aer.gov.au/retail-markets/retail-guidelines-reviews/retail-electricity-prices-review-determination-of-default-market-offer-prices-2020-21.

- Average small business annual gas retail Standing Offer and Market Offer prices increased by four percent and seven percent respectively over the 12 months to 30 June 2020. This is equivalent to an average annual bill increase of $265 for a customer on a Standing Offer contract and a $429 increase for a customer on a Market Offer contract. This reduced the average discount between the two types of offers from $768 to $604.
- At 30 June 2020, only three out of the eight gas retailers were marketing to regions outside of Adelaide. Those retailers offered the same gas retail Standing Offer prices to their metropolitan and non-metropolitan residential customers.

Market Offers were generally priced at a discount to Standing Offer prices in 2019-20

- 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 no discount to 16 percent. For small business customers, it ranged from no discount to 23 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 seven percent to 27 percent. For small business customers, it ranged from no discount to 18 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 2020, where a retailer discounted a Market Offer against its Standing Offer, residential electricity customers on a Standing Offer contract could have saved between $20 and $460 per annum had they switched to their retailer's lowest-priced Market Offer.
- At 30 June 2020, where a retailer discounted a Market Offer against its Standing Offer, residential gas customers on a Standing Offer contract could have saved between $90 and $390 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 2020, Retailer Feed-In Tariffs (R-FiTs) ranged from 5 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.
- 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.

1 Introduction

Pursuant to the regulations issued under the *Electricity Act 1996* (**Electricity Act**) 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 (**AER**), 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 2019 and 30 June 2020.

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.

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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 MWh 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.

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.

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 2020, or the determination made by the AER on Default Market Offer (**DMO**) prices to apply from 1 July 2020.[6]

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 impact of the Default Market Offer on electricity retail Standing Offer and Market Offer prices is monitored through a separate Supplementary Electricity Retail Price Offers Comparison Report published by the Commission pursuant to the Electricity (General) Regulations 2012. Further information can be accessed through the Commission website at: https://www.escosa.sa.gov.au/industry/electricity/regulatory-reporting/energy-retail-offer-prices.

1.1 Energy retailers included in this Report

This Report provides information on offers available from energy retailers authorised under the NERL to South Australian residential and small business customers. The Australian Energy Regulator (**AER**) administers retailer authorisations.

Table 1-1 shows that there were 27 authorised retailers actively retailing energy to small customers in South Australia as at 30 June 2020. Eight new retailers entered the South Australian energy retail market, and two retailers (BlueNRG and Sanctuary Energy) exited the residential market in 2019-20.

[6] Refer: https://www.aer.gov.au/retail-markets/retail-guidelines-reviews/retail-electricity-prices-review-determination-of-default- market-offer-prices-2020-21/final-decision.

Table 1-1: Authorised retailers (at 30 June 2020)

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	✓	✓		
Discover Energy*	✓	✓		
Dodo Power & Gas	✓			
Elysian Energy*	✓	✓		
Energy Locals	✓	✓		
EnergyAustralia	✓	✓	✓	✓
Future X Power*	✓	✓		
GloBird Energy*	✓		✓	
Kogan Energy*	✓			
Lumo Energy	✓	✓	✓	✓
Mojo Power*	✓			
Momentum Energy	✓	✓		
Origin Energy	✓	✓	✓	✓
OVO Energy*	✓			
Powerclub	✓	✓		
Powerdirect	✓	✓		
Powershop	✓	✓		
QEnergy	✓	✓		
ReAmped Energy*	✓			
Red Energy	✓	✓	✓	✓
Simply Energy	✓	✓	✓	✓

* New entrant

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 NERL must publish retail Standing Offer prices. The Standing Offer is an element of the National Energy Customer Framework, arising under the NERL. 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 NERL 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.

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 set by the AER.

Where a retailer elects to make its Standing Offer generally available to customers, the information must be published on the AER's EnergyMadeEasy and the retailer's websites.

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).

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.

1.3 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 2019 and 30 June 2020. The Commission's analysis includes:

- overall annual bill changes – changes in Standing Offer and Market Offer annual bills (averaged across all retailers)[7]
- 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).

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

2 Electricity retail offer prices

Key observations

For residential customers

- Average annual electricity retail Standing Offer and Market Offer prices fell by 13 percent and four percent respectively over the 12 months to 30 June 2020.
- 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 no discount to 16 percent.
- Where a retailer discounted a retail Market Offer against its Standing Offer, residential customers on a Standing Offer contract could have saved between $20 and $460 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 six percent and four percent respectively over the 12 months to 30 June 2020.
- 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 no discount to 23 percent.
- Where a retailer discounted a retail Market Offer against its Standing Offer, small business customers on a Standing Offer contract could have saved up to $1,330 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 December 2019,[8] approximately 92 percent of small electricity customers in South Australia were on a Market Offer contract (up from 91 percent as at 30 June 2019) with the remaining eight percent of those customers on a Standing Offer contract.[9]

8 These are the latest figures available on the Australian Energy Regulator's website.
9 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 2019 and 30 June 2020, and the discount between the average Standing Offer and average Market Offer.

It shows that the average retail Standing Offer and Market Offer bills fell by 13 percent ($331) and four percent ($96) respectively. This reduced the average discount between the two types of offers from $442 to $207.

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

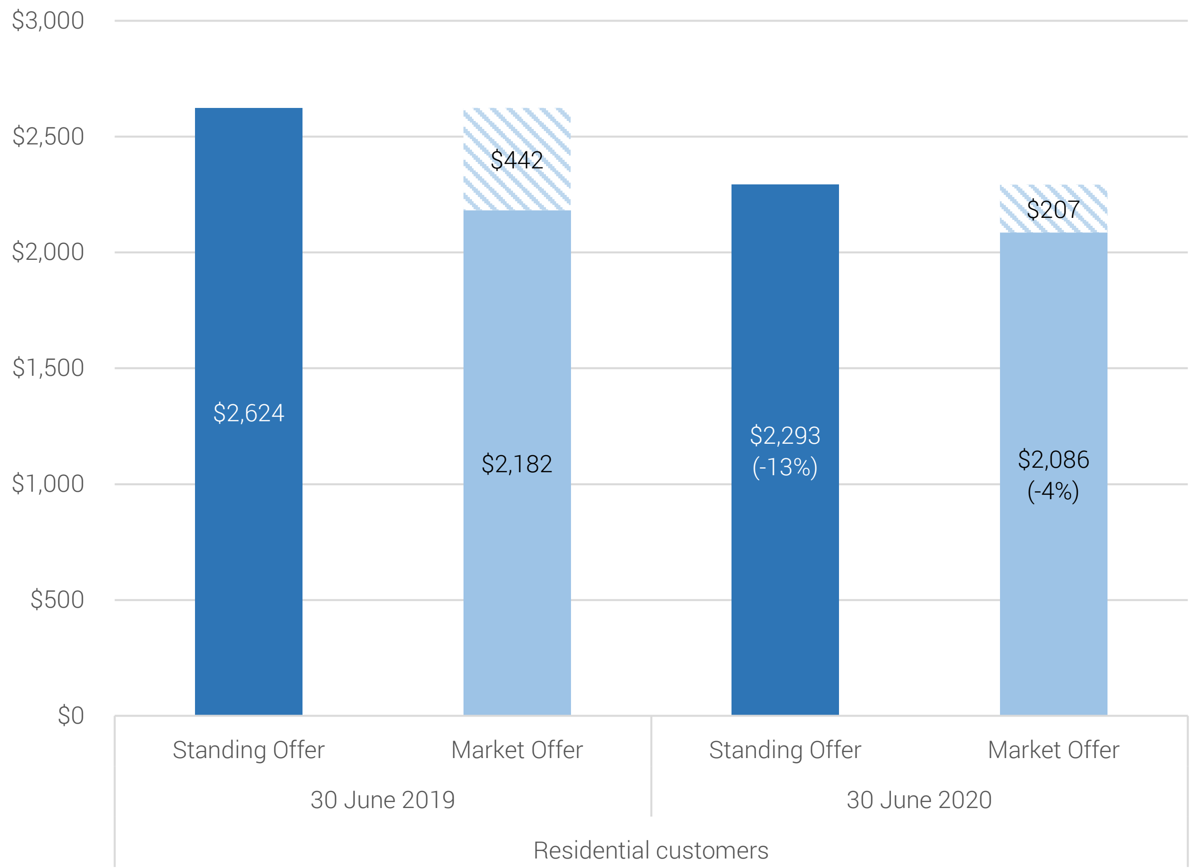


Table 2-1 shows the change in estimated annual residential electricity retail Standing Offer and lowest-priced Market Offer bills for each retailer at 30 June 2019 and 30 June 2020.

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 2019	30 June 2020	% change	30 June 2019	30 June 2020	% change	30 June 2019	30 June 2020
AGL	$2,410	$2,350	-2%	$2,040	$2,040	0%	$370	$310
Alinta Energy#	-	-	-	$2,010	$2,140	6%	-	-
amaysim Energy	$3,020	$2,340	-23%	$2,320	$2,320	0%	$700	$20
BlueNRG^	$3,200	-	-	-	-	-	-	-
Click Energy	$3,020	$2,340	-23%	$1,960	$2,010	3%	$1,060	$330
Commander Power & Gas	$2,870	$2,350	-18%	$2,160	$2,150	0%	$710	$200
Diamond Energy	$2,320	$2,320	-	$2,090	$2,090	0%	$230	$230
Discover Energy*	-	$2,260	-	-	$2,020	-	-	$240
Dodo Power & Gas	$2,980	$2,350	-21%	$2,110	$2,150	2%	$870	$200
Elysian Energy*	-	$2,120	-	-	$2,030	-	-	$90
Energy Locals	$2,210	$2,300	4%	$1,840	$2,150	17%	$370	$150
EnergyAustralia	$2,800	$2,350	-16%	$2,200	$2,210	0%	$600	$140
Future X Power*	-	$2,350	-	-	$1,990	-	-	$360
GloBird Energy*	-	$2,210	-	-	$1,900	-	-	$310
Kogan Energy*#	-	-	-	-	$2,110	-	-	-
Lumo Energy	$2,610	$2,330	-11%	$2,030	$2,040	0%	$580	$290
Mojo Power*	-	$2,150	-	-	-	-	-	-
Momentum Energy	$2,510	$2,330	-7%	$1,970	$1,990	1%	$540	$340
Origin Energy	$2,360	$2,360	-	$1,890	$1,900	1%	$470	$460
OVO Energy*	-	$2,070	-	-	$1,920	-	-	$150
Powerclub	$2,580	$2,260	-12%	$1,750	-	-	$830	-
Powerdirect#	$2,412	-	-	$2,020	$2,040	1%	$392	-
Powershop	$2,410	$2,320	-4%	$2,000	$1,970	-2%	$410	$350
QEnergy	$2,680	$2,340	-13%	$2,660	-	-	$20	-
ReAmped Energy*	-	$2,280	-	-	$1,880	-	-	$400
Red Energy	$2,610	$2,330	-11%	$2,090	$2,180	4%	$520	$150
Sanctuary Energy^	$2,230	-	-	-	-	-	-	-
Simply Energy#	-	$2,340	-	$1,930	$2,040	6%	-	$300
Simple average	$2,624	$2,293	-13%	$2,059	$2,055	0%	$565	$238

* New entrant ^ Exited market # Retailer was not making its Standing Offer generally available to residential customers

The Commission's analysis of estimated annual residential electricity retail bills[10] at 30 June 2019 and 30 June 2020 indicates:

- **The range of prices was larger in residential electricity retail Market Offers than in Standing Offers**

  At 30 June 2020:

  - OVO Energy had the lowest-priced retail Standing Offer annual bill at $2,070
  - Origin Energy had the highest-priced Standing Offer annual bill at $2,360
  - ReAmped Energy had the lowest-priced Market Offer annual bill at $1,880, and
  - amaysim Energy had the highest-priced Market Offer annual bill at $2,410.

- **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 no discount to 16 percent (ReAmped Energy). Residential customers could therefore have saved by moving from the Standing Offer to a Market Offer.

  Residential customers on a retail Standing Offer contract could have saved between $20 (amaysim Energy) and $460 (Origin 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**

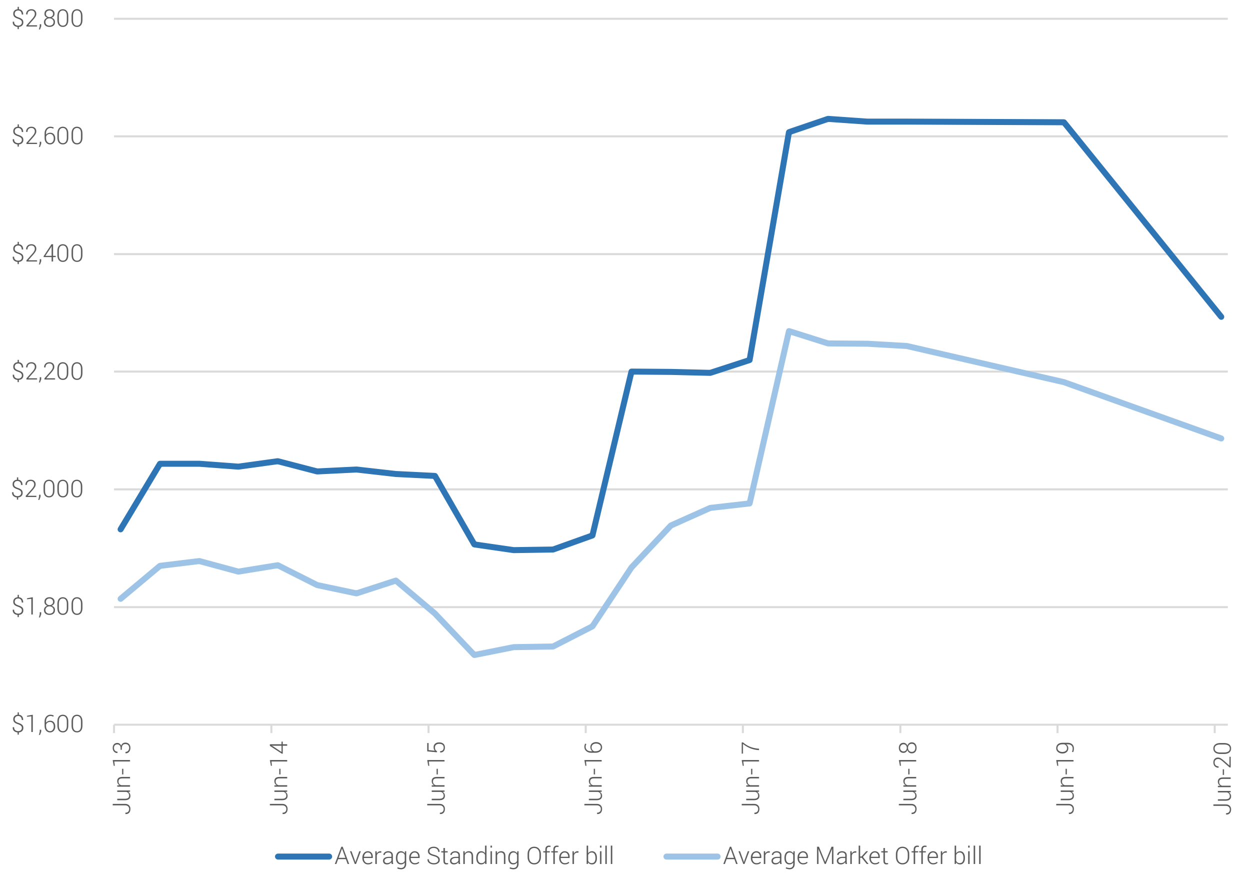
  Retailers were differentiating their retail Market Offers in a variety of ways (for example, through retail tariffs, discounts, fees and charges, contract duration and sign-up incentives) resulting in further impacts to price differences.

  At 30 June 2020, the largest price difference was found across Origin Energy's retail Market Offers, where the estimated annual bill on different Market Offers was between $1,900 and $2,370.

Figure 2-2 shows the movement of annual residential electricity retail Standing Offer and Market Offer bills between 30 June 2013 and 30 June 2020. It shows that the average annual Standing Offer bill has increased by 18.7 percent (a compounded annual nominal growth rate of 2.5 percent), and that the average annual Market Offer bill has increased by 15 percent (a compounded annual nominal growth rate of 2.0 percent) over the period. The average nominal discount between Standing Offers and Market Offers has increased from $118 to $207 over the seven years.

[10] Refer Table 2-1 and Annexure C.

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 2019 and 30 June 2020, and the discount between the average Standing Offer and average Market Offer.

It shows that the average retail Standing Offer and Market Offer bills fell by six percent ($288) and four percent ($153) respectively. This reduced the average discount between the two types of offers from $734 to $600.

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

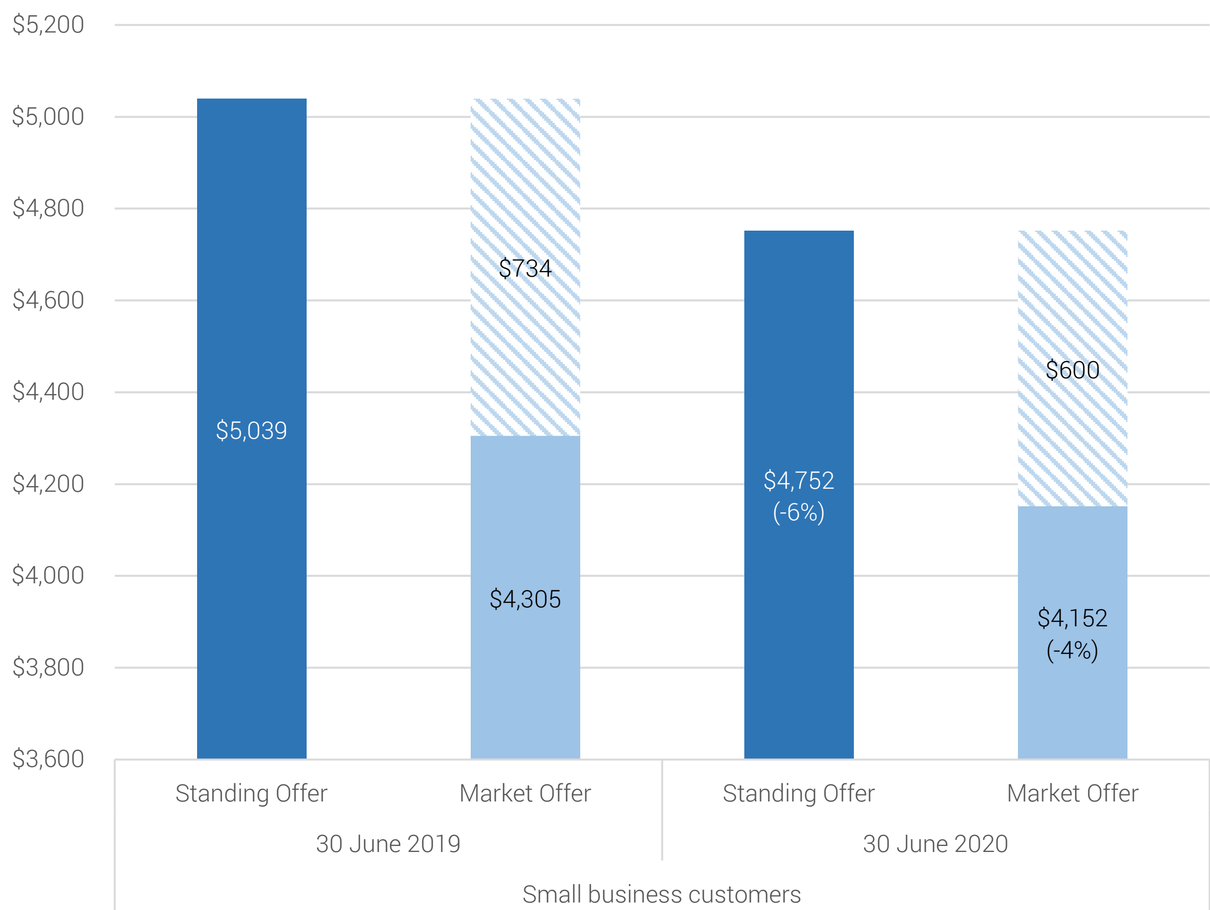


Table 2-2 shows the change in the estimated annual small business electricity retail Standing Offer and the lowest-priced Market Offer bills for each retailer at 30 June 2019 and 30 June 2020.

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 2019	30 June 2020	% change	30 June 2019	30 June 2020	% change	30 June 2019	30 June 2020
AGL	$4,480	$4,740	6%	$3,640	$4,070	12%	$840	$670
Alinta Energy#	-	-	-	$3,940	$4,100	4%	-	-
amaysim Energy	$5,390	$4,730	-12%	$4,210	$4,210	-	$1,180	$520
BlueNRG	$5,830	$4,720	-19%	$4,950	$3,390	-32%	$880	$1,330
Click Energy#	$5,390	-	-	$4,850	$4,060	-16%	$540	-
Commander Power & Gas	$5,510	$4,750	-14%	$4,080	$4,100	0%	$1,430	$650
Diamond Energy	$4,470	$4,690	5%	$4,020	$4,220	5%	$450	$470
Discover Energy*	-	$4,730	-	-	$4,200	-	-	$530
Elysian Energy*	$4,280	$5,370	25%	$4,070	$4,110	1%	$210	$1,260
EnergyAustralia	$5,610	$4,760	-15%	$4,530	$4,520	0%	$1,080	$240
Future X Power*	-	$4,740	-	-	$4,030	-	-	$710
Lumo Energy	$5,010	$4,760	-5%	$3,750	$4,070	9%	$1,260	$690
Momentum Energy	$5,000	$4,760	-5%	$3,870	$3,910	1%	$1,130	$850
Origin Energy	$4,730	$4,740	0%	$3,860	$4,030	4%	$870	$710
Powerclub	-	$4,750	-	$3,280	-	-	-	-
Powerdirect#	-	-	-	$4,330	$4,030	-7%	-	-
Powershop	$4,630	$4,820	4%	$3,980	$3,980	-	$650	$840
QEnergy	$5,210	$4,750	-9%	$5,160	-	-	$50	-
Red Energy	$5,010	$4,760	-5%	$4,140	$4,210	2%	$870	$550
Simply Energy#	-	$4,210	-	$3,900	$4,210	8%	-	$0
Simple average	$5,039	$4,752	-6%	$4,142	$4,081	-1%	$897	$671

* New entrant # Retailer was not making its Standing Offer generally available to small business customers

The Commission's analysis of estimated annual small business electricity retail bills[11] at 30 June 2019 and 30 June 2020 indicates:

- **The range of prices was larger in small business electricity retail Market Offers than in Standing Offers**

  At 30 June 2020:

  - Simply Energy had the lowest-priced retail Standing Offer annual bill at $4,210
  - Elysian Energy had the highest-priced Standing Offer annual bill at $5,370
  - BlueNRG had the lowest-priced Market Offer annual bill at $3,390, and
  - Origin Energy had the highest-priced Market Offer annual bill at $4,740.

- **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 no discount to 23 percent (Elysian Energy). 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 contract could have saved up to $1,330 (BlueNRG) 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 2020, the largest price difference was found across BlueNRG's retail Market Offers, where the estimated annual bill on different Market Offers was between $3,390 and $4,530.

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 2020. It shows that the average annual Standing Offer bill has increased by 25.4 percent (a compounded annual nominal growth rate of 3.3 percent), and that the average annual Market Offer bill has increased by 18.3 percent (a compounded annual nominal growth rate of 2.4 percent) over the period. The average nominal discount between Standing Offers and Market Offers has increased from $282 to $600 over the seven years.

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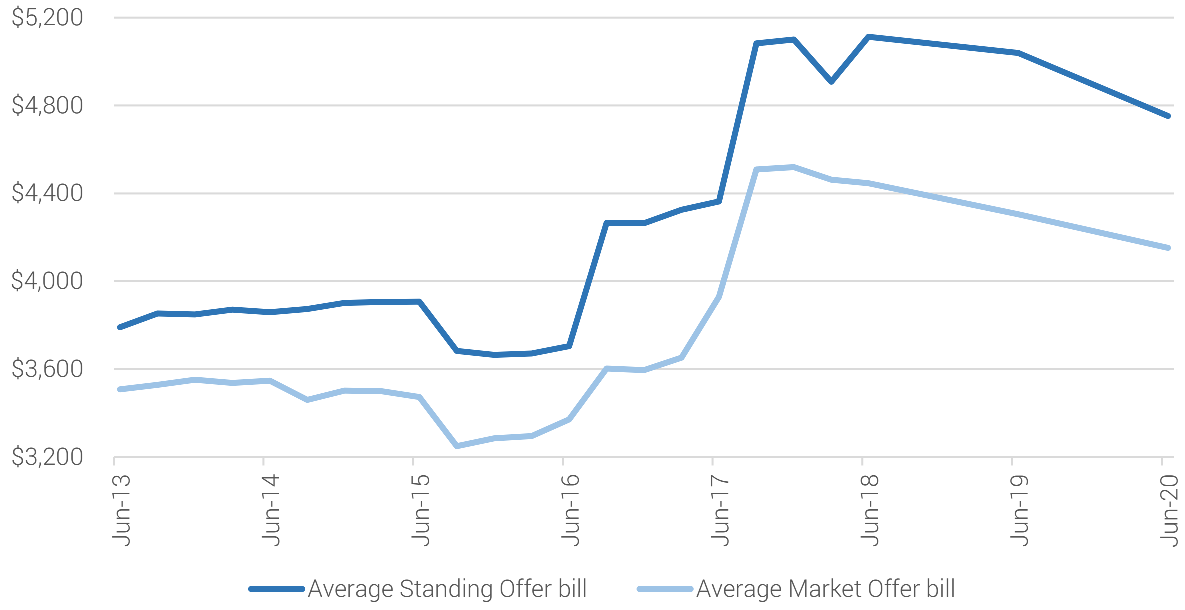
[11] Refer Table 2-2 and Annexure D.

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 would 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.[12] 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.[13]

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.

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[12] 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.

[13] 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.

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.

2.3.1 Incidence of retailer-paid component of the solar feed-in tariff payments

A variety in offerings may be indicative of a competitive market. 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. Other aspects that need to be considered include consumption and export profiles, usage and supply tariffs, and in some cases the purchase price of the solar system. Customers are encouraged to carefully consider the terms and conditions associated with each solar offer to find the offer best suited to their circumstances.

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 2020.

Table 2-3: Retailer-paid component of the solar feed-in tariff amounts paid by electricity retailers (cents per kWh, GST exclusive) ($nominal)[14]

Retailer	30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020
AGL Energy	6.8	6.8	16.3 to 20.0	16.3	14.2
Alinta Energy	6.8	6.8	6.8	9.5	9.5
amaysim Energy	N/A	N/A	20.0	22.0	10.0 to 22.0
BlueNRG	N/A	N/A	N/A	6.8	6.8
Click Energy	8.0 to 12.0	8.0 to 12.0	15.0 to 22.0	15.0 to 22.0	14.0
Commander Power & Gas	7.0	7.0	11.6	11.6	11.6
Diamond Energy	8.0	8.0	12.0	12.0	12.0
Discover Energy	N/A	N/A	N/A	N/A	6.0
Dodo Power & Gas	7.0	7.0	11.6	11.6	11.6
Elysian Energy	N/A	N/A	N/A	N/A	9.6
Energy Locals	N/A	N/A	N/A	9.0 to 16.0	15.5 to 20.0
EnergyAustralia	6.8	8.2	15.0	15.0	11.5
ERM Power Retail Pty Ltd	6.8	6.8	6.8	N/A	N/A
Future X Power	N/A	N/A	N/A	N/A	14.2
GloBird Energy	N/A	N/A	N/A	N/A	8.0
Kogan Energy	N/A	N/A	N/A	N/A	7.0
Lumo Energy	7.0	7.0 to 16.0	16.0	16.0	15.0
Momentum Energy	6.8	6.8	6.8	N/A	6.8
Mojo Power	N/A	N/A	N/A	N/A	6.8
Origin Energy^	6.8	6.8 to 12	11 to 20.0	10.0 to 23.0	10.0 to 23.0
OVO Energy	N/A	N/A	N/A	N/A	8.0
Powerclub	N/A	N/A	N/A	11.0	11.5
Powerdirect	8.0	6.8 - 8	16.3	16.3	14.2
Powershop	N/A	N/A	N/A	10.2	10.2
QEnergy	6.8	N/A	N/A	8.0	8.0
ReAmped Energy	N/A	N/A	N/A	N/A	5.0
Red Energy*	6.8	16.0	16.0	16.0	14.2
Simply Energy	6.8	6.8	17.0	15.0	15.0

14 'N/A' indicates that the retailer is either not retailing a solar electricity offer or has not yet commenced retail operations at that particular point in time.

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 exception was amaysim Energy, 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 2020 (GST inclusive) ($nominal)

Retailer	Available Market Offers	Available solar Market Offers	Best-priced Market Offer	Best-priced solar Market Offer	Price difference
AGL	7	7	$2,040	$2,040	-
Alinta Energy	2	2	$2,140	$2,140	-
amaysim Energy	3	2	$2,320	$2,340	$20
Click Energy	9	9	$2,010	$2,010	-
Commander Power & Gas	2	2	$2,150	$2,150	-
Diamond Energy	2	1	$2,090	$2,090	-
Discover Energy	4	4	$2,020	$2,020	-
Dodo Power & Gas	2	2	$2,150	$2,150	-
Elysian Energy	2	2	$2,030	$2,030	-
Energy Locals	2	2	$2,150	$2,150	-
EnergyAustralia	3	3	$2,210	$2,210	-
Future X Power	2	2	$1,990	$1,990	-
GloBird Energy	5	5	$1,900	$1,900	-
Kogan Energy	1	1	$2,110	$2,110	-
Lumo Energy	4	4	$2,040	$2,040	-
Momentum Energy	3	3	$1,990	$1,990	-
Origin Energy	20	20	$1,900	$1,900	-
OVO Energy	2	1	$1,920	$1,920	-
Powerdirect	1	1	$2,040	$2,040	-
Powershop	3	2	$1,970	$1,970	-
ReAmped Energy	3	2	$1,880	$1,880	-
Red Energy	2	2	$2,180	$2,180	-
Simply Energy	4	4	$2,040	$2,040	-

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 2020 (GST inclusive) ($nominal)

Retailer	Available Market Offers	Available solar Market Offers	Best-priced Market Offer	Best-priced solar Market Offer	Price difference
AGL	6	6	$4,070	$4,070	-
Alinta Energy	1	1	$4,100	$4,100	-
amaysim Energy	2	2	$4,210	$4,210	-
BlueNRG	6	6	$3,390	$3,390	-
Click Energy	2	2	$4,060	$4,060	-
Commander Power & Gas	2	2	$4,100	$4,100	-
Diamond Energy	2	1	$4,220	$4,220	-
Discover Energy	4	4	$4,200	$4,200	-
Elysian Energy	2	2	$4,110	$4,110	-
EnergyAustralia	1	1	$5,370	$5,370	-
Future X Power	2	2	$4,030	$4,030	-
Lumo Energy	3	3	$4,070	$4,070	-
Momentum Energy	2	2	$3,910	$3,910	-
Origin Energy	7	7	$4,030	$4,030	-
Powerdirect	1	1	$4,030	$4,030	-
Powershop	3	2	$3,980	$3,980	-
Red Energy	2	2	$4,210	$4,210	-
Simply Energy	4	4	$4,210	$4,210	-

3 Gas retail offer prices

Key observations

For residential customers

- Average annual gas retail Standing Offer and Market Offer prices increased by six percent and three percent respectively over the 12 months to 30 June 2020.
- 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 seven percent to 27 percent.
- Residential customers on a retail Standing Offer contract could have saved between $90 and $390 had they switched to their retailer's lowest-priced Market Offer.
- At 30 June 2020, only three out of the eight gas retailers were marketing to regions outside of Adelaide. Those retailers offered the same gas retail Standing Offer prices to their metropolitan and non-metropolitan residential customers.

For small business customers

- Average annual gas retail Standing Offer and Market Offer prices increased by four percent and seven percent respectively over the 12 months to 30 June 2020.
- 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 no discount to 18 percent.
- Small business customers on a retail Standing Offer contract could have saved up to $1,220 had they switched to their retailer's lowest-priced Market Offer.

There are five distinct gas supply areas in South Australia. Adelaide is the only metropolitan region and the non-metropolitan regions are Mount Gambier, Port Pirie, Riverland and Whyalla.

As at 30 June 2020, GloBird Energy, Origin Energy and Simply Energy were the only gas retailers actively marketing to regions outside of the Adelaide metropolitan area. All three gas retailers offered the same gas retail Standing Offer prices to their metropolitan and non-metropolitan residential customers.

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 December 2019,[15] approximately 90 percent of small gas customers in South Australia were on a retail Market Offer contract (up from 89 percent as at 30 June 2019) with the remaining 10 percent of those customers on a Standing Offer contract.[16]

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 2019 and 30 June 2020, and the discount between the average Standing Offer and average Market Offer.

It shows that the average retail Standing Offer and Market Offer bills increased by six percent and three percent respectively. This is equivalent to an average annual bill increase of $63 for a residential customer on a Standing Offer contract, and an average $28 increase for a customer on a Market Offer contract. This increased the average discount between the two types of offers from $126 to $162.

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 2019 and 30 June 2020, 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.

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

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

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 2019	30 June 2020	% change	30 June 2019	30 June 2020	% change	30 June 2019	30 June 2020
AGL Energy	$1,120	$1,170	4%	$1,010	$1,080	7%	$110	$90
Alinta Energy#	-	-	-	$1,010	$1,020	1%	-	-
EnergyAustralia	$1,210	$1,230	2%	$990	$1,020	3%	$220	$210
GloBird Energy*	-	$1,360	-	-	$970	-	-	$390
Lumo Energy	$1,180	$1,190	1%	$910	$1,010	11%	$270	$180
Origin Energy	$1,070	$1,120	5%	$940	$1,000	6%	$130	$120
Red Energy	$1,110	$1,190	7%	$960	$1,000	4%	$150	$190
Simply Energy#	-	$1,150	-	-	$1,060	-	-	$90
Simple average	$1,138	$1,201	6%	$970	$1,020	5%	$168	$181

* New entrant # Retailer was not making its Standing Offer generally available to residential customers

The Commission's analysis of estimated annual residential gas retail bills[17] at 30 June 2019 and 30 June 2020 indicates:

- **Only three out of the eight gas retailers were actively marketing to regions outside of the Adelaide metropolitan area.**

  As at 30 June 2020, GloBird Energy, Origin Energy and Simply Energy were the only gas retailers actively marketing to regions outside of the Adelaide metropolitan area. All three gas retailers offered the same gas retail Standing Offer prices to their metropolitan and non-metropolitan residential customers.

- **The range of prices was smaller in residential gas retail Market Offers than in Standing Offers**

  At 30 June 2020:

  - Origin Energy had the lowest-priced retail Standing Offer annual bill at $1,120
  - GloBird Energy had the highest-priced Standing Offer annual bill at $1,360
  - GloBird Energy had the lowest-priced Market Offer annual bill at $970, and
  - Origin Energy had the highest-priced Market Offer annual bill at $1,120

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

  The discount between a retailer's Standing Offer and average Market Offer for the metropolitan region ranged from seven percent (AGL) to 27 percent (GloBird 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 contract could have saved between $90 (AGL and Simply Energy) and $390 (GloBird Energy) had they switched to their retailer's lowest-priced Market Offer.

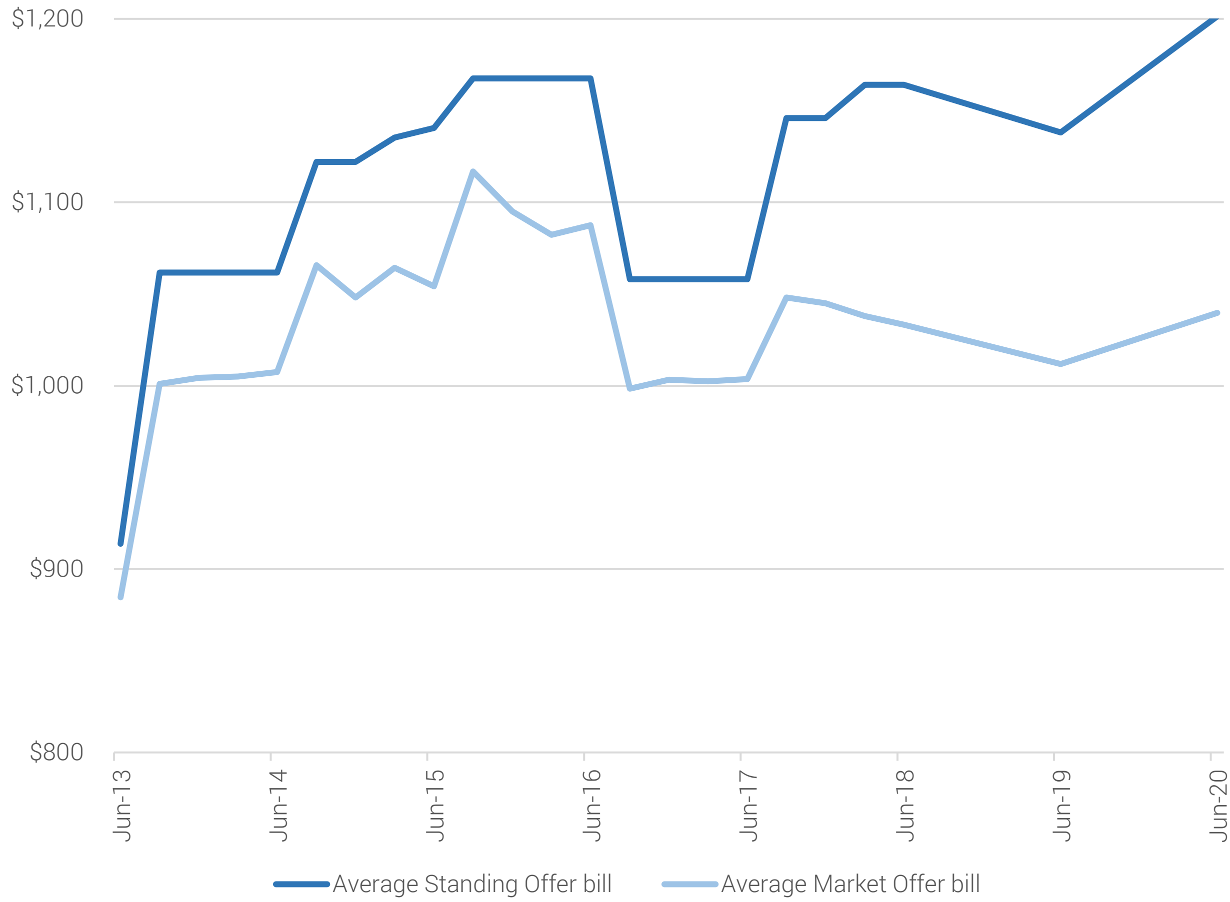
- **There was a range of price differences between residential gas retail Market Offers, but the extent of price differentiation was less than that observed for residential electricity Market Offers**

  At 30 June 2020, the largest price difference was found across Origin Energy's retail Market Offers, where the estimated annual bill on different Market Offers was between $1,000 and $1,120.

[17] 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 2020. It shows that the average annual Standing Offer bill increased by 31.5 percent (a compounded annual nominal growth rate of 4.0 percent), and that the average annual Market Offer bill increased by 17.5 percent (a compounded annual nominal growth rate of 2.3 percent) over the period. The average discount between Standing Offers and Market Offers has increased from $29 to $162 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 2019 and 30 June 2020, and the discount between the average Standing Offer and average Market Offer.

It shows that the average annual retail Standing Offer and Market Offer bills increased by four percent ($265) and seven percent ($429) respectively. This reduced the average discount between the two types of offers from $768 to $604.

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 2019 and 30 June 2020.

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)

Retailer	Standing Offer			Lowest-priced Market Offer			Difference between Standing Offer and lowest-priced Market Offer	
	30 June 2019	30 June 2020	% change	30 June 2019	30 June 2020	% change	30 June 2019	30 June 2020
AGL Energy	$5,560	$5,940	7%	$5,190	-	-	$370	-
EnergyAustralia	$6,840	$6,950	2%	$5,660	$5,800	2%	$1,180	$1,150
Lumo Energy	$7,250	$6,960	-4%	$5,480	$5,770	5%	$1,770	$1,190
Origin Energy	$6,470	$6,880	6%	$5,630	$6,370	13%	$840	$510
Red Energy	$6,490	$6,960	7%	$5,730	$5,740	0%	$760	$1,220
Simply Energy#	-	$7,030	-	-	$7,030	-	-	$0
Simple average	$6,522	$6,787	4%	$5,538	$6,142	11%	$984	$645

Retailer was not making its Standing Offer generally available to small business customers

The Commission's analysis of estimated annual small business gas retail bills[18] at 30 June 2019 and 30 June 2020 indicates:

- **Only two out of the six gas retailers were actively marketing to regions outside of the Adelaide metropolitan area.**

  As at 30 June 2020, Origin Energy and Simply Energy were the only gas retailers actively marketing to regions outside of the Adelaide metropolitan area. Both gas retailers offered the same gas retail Standing Offer prices to their metropolitan and non-metropolitan residential customers.

- **The range of prices was larger in small business gas retail Standing Offers than in Market Offers**

  At 30 June 2020:

  - AGL had the lowest-priced retail Standing Offer annual bill at $5,940
  - Simply Energy had the highest-priced Standing Offer annual bill at $7,030
  - Red Energy had the lowest-priced Market Offer annual bill at $5,740, and
  - Simply Energy had the highest-priced Market Offer annual bill at $7,030

- **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 no discount (Simply Energy) to 18 percent (Red 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 contract could have saved up to $1,220 (Red Energy) had they switched to their retailer's lowest-priced Market Offer.

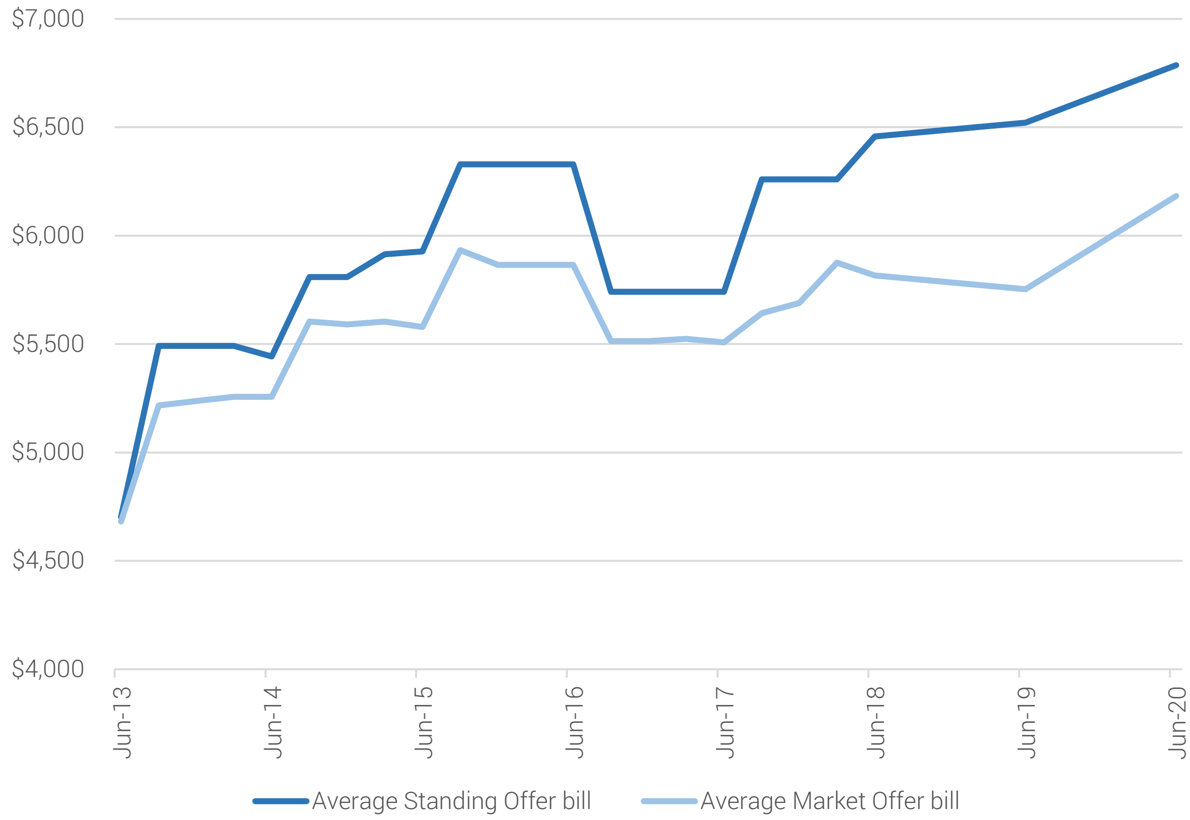
- **There was a range of price differences between small business gas retail Market Offers but the extent of price differentiation was less than that observed for small business electricity Market Offers**

  At 30 June 2020, the largest price difference was found across Origin Energy's retail Market Offers, where the estimated annual bill on different Market Offers was between $6,370 and $6,880.

18 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 2020. It shows that the average annual Standing Offer bill has increased by 44.3 percent (a compounded annual nominal growth rate of 5.4 percent), and that the average annual Market Offer bill has increased by 32.1 percent (a compounded annual nominal growth rate of 4.1 percent) over the period. The average nominal discount between Standing Offers and Market Offers has increased from $20 to $604 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 Australian Energy Regulator's 'Energy Made Easy' online price comparison service,[19] and may be supplemented or confirmed with information from retailers (either directly or from retailers' websites and/or price fact sheets). While every effort is made to ensure the data quality, the data is provided 'as is' displayed from these information sources.

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 the reporting period. Retailers are no longer required to publish Standing Offers which are not generally available on the 'Energy Made Easy' website.

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 2019 and 2020. 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.

Accordingly, the analysis in this Report may therefore exclude offers that retailers elected not to make generally available to small customers at the end of June for 2019 and 2020.

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 (dollars of the day) and therefore have not been adjusted for the effects of inflation.

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

B2.3 Single-rate and two-rate offers

Electricity offers may include either single-rate or two-rate[20] 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.

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.

The above consumption profile assumptions are different to those used by the Commission in the Supplementary Electricity Retail Price Offers Comparison Report that it also provides to the Minister. The annual average consumption profiles used in that report are specified in the Minister's information request and are largely consistent with those used by the AER to set the DMO.

[20] '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.

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.[21]

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.

[21] Refer to Annexure H of this report.

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

Retailer	30 June 2019				30 June 2020			
	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	$2,410	$2,040	$2,410	$2,204	$2,350	$2,040	$2,350	$2,143
Alinta Energy#	-	$2,010	$2,270	$2,140	-	$2,140	$2,190	$2,165
amaysim Energy	$3,020	$2,320	$3,020	$2,583	$2,340	$2,320	$2,410	$2,365
BlueNRG^	$3,200	-	-	-	-	-	-	-
Click Energy	$3,020	$1,960	$3,020	$2,418	$2,340	$2,010	$2,080	$2,049
Commander Power & Gas	$2,870	$2,160	$2,160	$2,160	$2,350	$2,150	$2,150	$2,150
Diamond Energy	$2,320	$2,090	$2,090	$2,090	$2,320	$2,090	$2,090	$2,090
Discover Energy*	-	-	-	-	$2,260	$2,020	$2,260	$2,113
Dodo Power & Gas	$2,980	$2,110	$2,110	$2,110	$2,350	$2,150	$2,150	$2,150
Elysian Energy*	-	-	-	-	$2,120	$2,030	$2,030	$2,030
Energy Locals	$2,210	$1,840	$2,180	$2,040	$2,300	$2,150	$2,150	$2,150
EnergyAustralia	$2,800	$2,200	$2,440	$2,324	$2,350	$2,210	$2,210	$2,210
Future X Power*	-	-	-	-	$2,350	$1,990	$1,990	$1,990
GloBird Energy*	-	-	-	-	$2,210	$1,900	$1,900	$1,900
Kogan Energy*#	-	-	-	-	-	$2,110	$2,110	$2,110
Lumo Energy	$2,610	$2,030	$2,160	$2,089	$2,330	$2,040	$2,130	$2,070
Mojo Power*	-	-	-	-	$2,150	-	-	-
Momentum Energy	$2,510	$1,970	$2,400	$2,140	$2,330	$1,990	$2,050	$2,020
Origin Energy	$2,360	$1,890	$2,360	$2,113	$2,360	$1,900	$2,370	$2,116
OVO Energy*	-	-	-	-	$2,070	$1,920	$1,920	$1,920
Powerclub	$2,580	$1,750	$1,860	$1,805	$2,260	-	-	-
Powerdirect#	$2,412	$2,020	$2,020	$2,020	-	$2,040	$2,040	$2,040
Powershop	$2,410	$2,000	$2,120	$2,063	$2,320	$1,970	$2,120	$2,045
QEnergy	$2,680	$2,660	$2,660	$2,660	$2,340	-	-	-
ReAmped Energy*	-	-	-	-	$2,280	$1,880	$1,960	$1,920
Red Energy	$2,610	$2,090	$2,320	$2,189	$2,330	$2,180	$2,180	$2,180
Sanctuary Energy^	$2,230	-	-	-	-	-	-	-
Simply Energy#	-	$1,930	$2,250	$2,136	$2,340	$2,040	$2,070	$2,060
Simple average	$2,624	$2,059	$2,325	$2,182	$2,293	$2,055	$2,127	$2,086

* New entrant ^ Exited market # Retailer was not making its Standing Offer generally available to residential customers

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

Retailer	30 June 2019				30 June 2020			
	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer
AGL	$4,480	$3,640	$5,080	$4,354	$4,740	$4,070	$4,170	$4,120
Alinta Energy#	-	$3,940	$4,060	$4,000	-	$4,100	$4,100	$4,100
amaysim Energy	$5,390	$4,210	$4,210	$4,210	$4,730	$4,210	$4,210	$4,210
BlueNRG	$5,830	$4,950	$5,490	$5,220	$4,720	$3,390	$4,530	$4,015
Click Energy#	$5,390	$4,850	$4,850	$4,850	-	$4,060	$4,060	$4,060
Commander Power & Gas	$5,510	$4,080	$4,230	$4,155	$4,750	$4,100	$4,100	$4,100
Diamond Energy	$4,470	$4,020	$4,280	$4,124	$4,690	$4,220	$4,220	$4,220
Discover Energy*	-	-	-	-	$4,730	$4,200	$4,730	$4,407
Elysian Energy*	$4,280	$4,070	$4,070	$4,070	$5,370	$4,110	$4,110	$4,110
EnergyAustralia	$5,610	$4,530	$4,790	$4,583	$4,760	$4,520	$4,520	$4,520
Future X Power*	-	-	-	-	$4,740	$4,030	$4,030	$4,030
Lumo Energy	$5,010	$3,750	$4,180	$3,953	$4,760	$4,070	$4,170	$4,120
Momentum Energy	$5,000	$3,870	$4,760	$4,190	$4,760	$3,910	$3,910	$3,910
Origin Energy	$4,730	$3,860	$4,730	$4,318	$4,740	$4,030	$4,740	$4,332
Powerclub	-	$3,280	$3,500	$3,390	$4,750	-	-	-
Powerdirect#	-	$4,330	$4,330	$4,330	-	$4,030	$4,030	$4,030
Powershop	$4,630	$3,980	$4,070	$4,025	$4,820	$3,980	$4,070	$4,025
QEnergy	$5,210	$5,160	$5,160	$5,160	$4,750	-	-	-
Red Energy	$5,010	$4,140	$4,760	$4,365	$4,760	$4,210	$4,210	$4,210
Simply Energy	-	$3,900	$4,340	$4,193	$4,210	$4,210	$4,210	$4,210
Simple average	$5,039	$4,142	$4,494	$4,305	$4,752	$4,081	$4,229	$4,152

* New entrant ^ Exited market # Retailer was not making its Standing Offer generally available to small business customers

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

Retailer	30 June 2019				30 June 2020			
	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer
AGL Energy	$1,120	$1,010	$1,120	$1,050	$1,170	$1,080	$1,100	$1,090
Alinta Energy#	-	$1,010	$1,040	$1,025	-	$1,020	$1,100	$1,060
EnergyAustralia	$1,210	$990	$1,100	$1,043	$1,230	$1,020	$1,100	$1,060
GloBird Energy*	-	-	-	-	$1,360	$970	$1,000	$987
Lumo Energy	$1,180	$910	$1,010	$949	$1,190	$1,010	$1,100	$1,040
Origin Energy	$1,070	$940	$1,070	$997	$1,120	$1,000	$1,120	$1,021
Red Energy	$1,110	$960	$1,070	$1,007	$1,190	$1,000	$1,000	$1,000
Simply Energy#	-	-	-	-	$1,150	$1,060	$1,060	$1,060
Simple average	$1,138	$970	$1,068	$1,012	$1,201	$1,020	$1,073	$1,040

* New entrants # Retailer was not making its Standing Offer generally available to residential customers

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

Retailer	30 June 2019				30 June 2020			
	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer	Standing Offer	Lowest-priced Market Offer	Highest-priced Market Offer	Average Market Offer
AGL Energy	$5,560	$5,190	$5,560	$5,333	$5,940	-	-	-
EnergyAustralia	$6,840	$5,660	$6,270	$5,746	$6,950	$5,800	$5,800	$5,800
Lumo Energy	$7,250	$5,480	$5,760	$5,589	$6,960	$5,770	$5,860	$5,815
Origin Energy	$6,470	$5,630	$6,470	$6,172	$6,880	$6,370	$6,880	$6,530
Red Energy	$6,490	$5,730	$6,420	$5,928	$6,960	$5,740	$5,740	$5,740
Simply Energy#	-	-	-	-	$7,030	$7,030	$7,030	$7,030
Simple average	$6,522	$5,538	$6,096	$5,754	$6,787	$6,142	$6,262	$6,183

Retailer was not making its Standing Offer generally available to residential customers

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 G-1 and Table G-2 compare the controlled load tariffs (first tier only) for residential and small business Standing Offers. Typical consumption[22] is well within the quantities allowed in the first tier for all offers (approximately 2,000 kilowatt hour per quarter).

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

Retailer	30 June 2019	30 June 2020	% change
AGL Energy	24.09	19.24	-20%
Alinta Energy	23.65	18.28	-23%
amaysim Energy	43.12	22.26	-48%
BlueNRG^	38.50	-	-
Click Energy	43.12	19.15	-56%
Commander Power & Gas	27.21	19.88	-27%
Diamond Energy	21.95	21.95	0%
Discover Energy*	-	26.39	-
Dodo Power & Gas	28.38	22.09	-22%
Elysian Energy	-	23.49	-
Energy Locals	27.49	27.01	-2%
EnergyAustralia	19.16	20.90	9%
Future X Power*	-	22.12	-
GloBird Energy*	-	24.20	-
Kogan Energy *	-	26.21	-
Lumo Energy	22.77	20.55	-10%
Mojo Power*	-	17.82	-
Momentum Energy*	26.14	20.63	-21%
Origin Energy	20.97	21.84	4%
OVO Energy*	-	20.76	-
Powerclub	22.32	23.07	3%
Powerdirect	24.09	22.12	-8%
Powershop	29.46	22.50	-24%
QEnergy	38.92	22.00	-43%
ReAmped Energy*	-	20.24	-
Red Energy	22.77	21.23	-7%
Sanctuary Energy ^	17.82	-	-
Simply Energy	30.24	22.19	-27%

* New entrant ^ Exited market

[22] Typical consumption is around 2,500 kWh per year, Source: SA Power Networks.

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

Retailer	30 June 2019	30 June 2020	% change
AGL Energy	24.09	22.12	-8%
Alinta Energy#	22.50	-	-
amaysim Energy	43.12	22.26	-48%
BlueNRG	37.13	33.42	-10%
Click Energy	43.12	22.26	-48%
Commander Power & Gas	28.68	26.61	-7%
Diamond Energy	21.95	21.95	0%
Discover Energy*	-	26.39	-
Energy Locals	21.99	28.00	27%
EnergyAustralia	18.60	22.09	19%
Future X Power*	-	22.12	-
Lumo Energy	19.65	22.33	14%
Momentum Energy	26.05	26.05	0%
Next Business Energy*	-	36.30	-
Origin Energy	20.97	21.84	4%
Powerclub	21.93	23.07	5%
Powerdirect	24.09	22.12	-8%
Powershop	29.46	22.50	-24%
QEnergy	38.50	22.00	-43%
Red Energy	22.33	22.33	0%
Simply Energy	30.24	22.19	-27%

* New entrant # Retailer was not making its Standing Offer generally available to small business customers

Annexure H Green energy options

At 30 June 2020, 14 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 13 retailers did not offer any green energy options.

Most retailers offer green energy options for an additional cost to their existing Market Offers. The only exceptions were Click Energy and OVO Energy where the cost of green energy was embedded within the electricity tariffs. A summary of the green energy Market Offers available at 30 June 2019 and 30 June 2020 is set out in Tables H-1 below.

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

Retailer	Green Power Component	Additional cost 30 June 2019	Additional cost 30 June 2020	Comments
AGL	10%	$57	$57	
	20%	$94	$94	
	100%	$300	$275	
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	$20	
	50%	$225	$100	
	100%	$450	$195	
Discover Energy*	10%	-	$25	
	20%	-	$50	
	100%	-	$248	
Dodo Power & Gas	10%	$50	$50	
	100%	$495	$495	
EnergyAustralia	10%	$25	$25	
	20%	$50	$50	
	100%	$248	$248	
Lumo Energy	10%	$330	$330	
Origin Energy	25%	$104	$52	
	50%	$141	$115	
	100%	$281	$225	
OVO Energy*	10%	-	-	GreenPower charges are already included in the rates.
	100%	-	$248	
Powerdirect	10%	$52	$52	
	20%	$103	$103	
Powershop	10%	$43	$28	
	25%	$107	$69	
	50%	$213	$138	
	100%	$425	$275	
QEnergy	10%	$33	-	
	50%	$165	-	
	100%	$330	-	
Red Energy	100%	$292	$292	

* New entrant

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