



Electricity retail offer price movements

Each year the Essential Services Commission (**Commission**) provides to the Minister for Energy and Mining (**Minister**) a comparison report on energy retail price offers available to South Australian small customers (residential and small business) for the previous financial year. This report is a supplementary update, requested by the Minister on 7 December 2021, that focuses on changes in the following types of electricity retail offer prices:

- ▶ **Residential** – 30 June 2021 compared to 6 December 2021, and
- ▶ **Small business** – 30 June 2021 compared to 14 December 2021.

In monitoring electricity retail offer prices, the Commission applies an “annual bill” approach, using a set level of consumption by residential and small business customers as a benchmark, to ensure that any movements in annual bills can be attributed to price movements and not to changes in electricity usage. The annual consumptions assumed for electricity customers are:

- ▶ **Residential** – annual consumption profile of 5,000 kWh, and
- ▶ **Small business** – annual consumption profile of 10,000 kWh.

The analysis provides a snapshot of electricity retail offers available in the market at a particular time. However, it should be recognised that market conditions are dynamic and actual pricing outcomes will depend on the amount of electricity consumed, retail prices and the terms and conditions of a customer’s electricity retail contract.

For detailed information on the assumptions and limitations underpinning the observations, please refer to Appendix B of the Energy retail offers comparison report - 2020-21 (available on the Commission’s website).¹

¹ Refer: <https://www.escosa.sa.gov.au/industry/electricity/regulatory-reporting/energy-retail-offer-prices>

Residential electricity retail offer prices

Key observations for residential electricity customers

- ▶ Average annual residential electricity retail Standing Offer and Market Offer prices both fell by six percent over the period 30 June 2021 to 6 December 2021.
- ▶ 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 20 percent.
- ▶ Where a retailer discounted a retail Market Offer against its Standing Offer, residential customers on a Standing Offer contract could have saved between \$0 and \$520 annually had they switched to their retailer’s lowest-priced Market Offer.
- ▶ Between 30 June 2013 and 6 December 2021, the average annual Standing Offer bill has increased by 5.3 percent and the average annual Market Offer bill has increased by 0.5 percent. The average annual nominal discount between Standing Offers and Market Offers has increased from \$118 to \$212.

Figure 1 shows the average annual electricity bill for a residential customer, based on available retail Standing Offer and Market Offer prices at 30 June 2021 and 6 December 2021, and the discount between the average Standing Offer and average Market Offer.

Figure 2 shows the movement of annual residential electricity retail Standing Offer and Market Offer bills between 30 June 2013 and 6 December 2021.

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

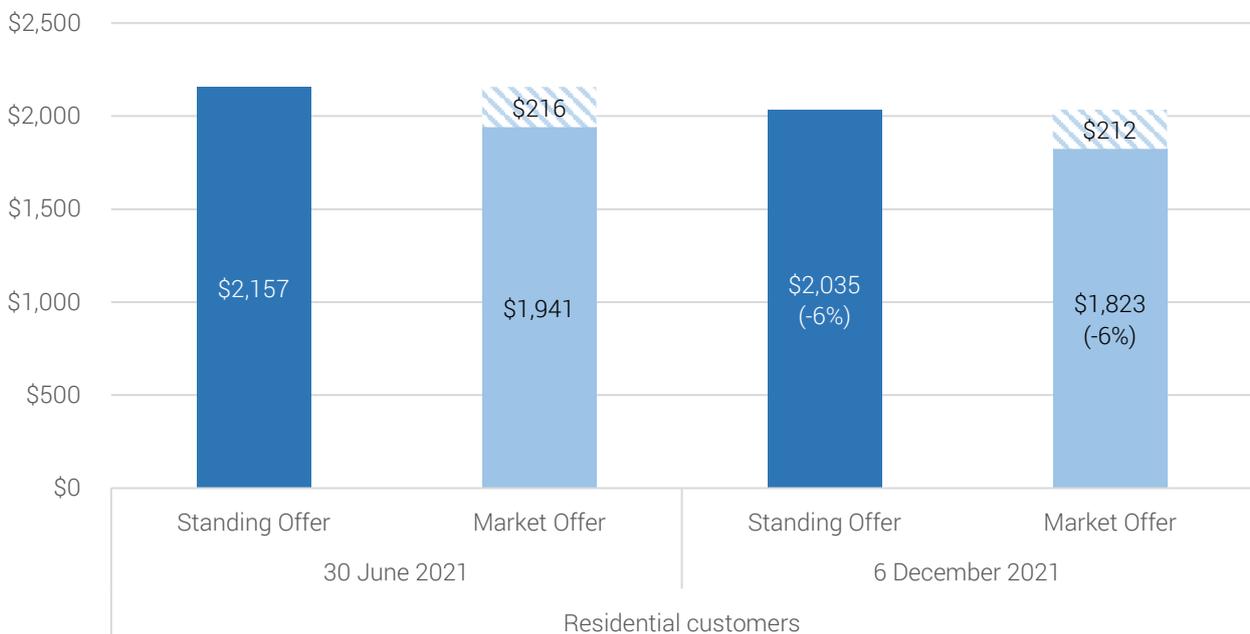


Figure 2: Movements in the average annual electricity retail Standing and Market Offer bills for residential customers (\$nominal)



Small business electricity retail offer prices

Key observations for small business electricity customers

- ▶ Average annual small business electricity retail Standing Offer and Market Offer prices fell by six percent and four percent respectively over the period 30 June 2021 to 14 December 2021.
- ▶ 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 22 percent.
- ▶ Where a retailer discounted a retail Market Offer against its Standing Offer, small business customers on a Standing Offer contract could have saved between \$0 and \$930 annually had they switched to their retailer’s lowest-priced Market Offer.
- ▶ Between 30 June 2013 and 14 December 2021, the average annual Standing Offer bill has increased by 8.7 percent and the average annual Market Offer bill has increased by 4.8 percent. The average annual nominal discount between Standing Offers and Market Offers has increased from \$282 to \$443.

Figure 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 2021 and 14 December 2021, and the discount between the average Standing Offer and average Market Offer.

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

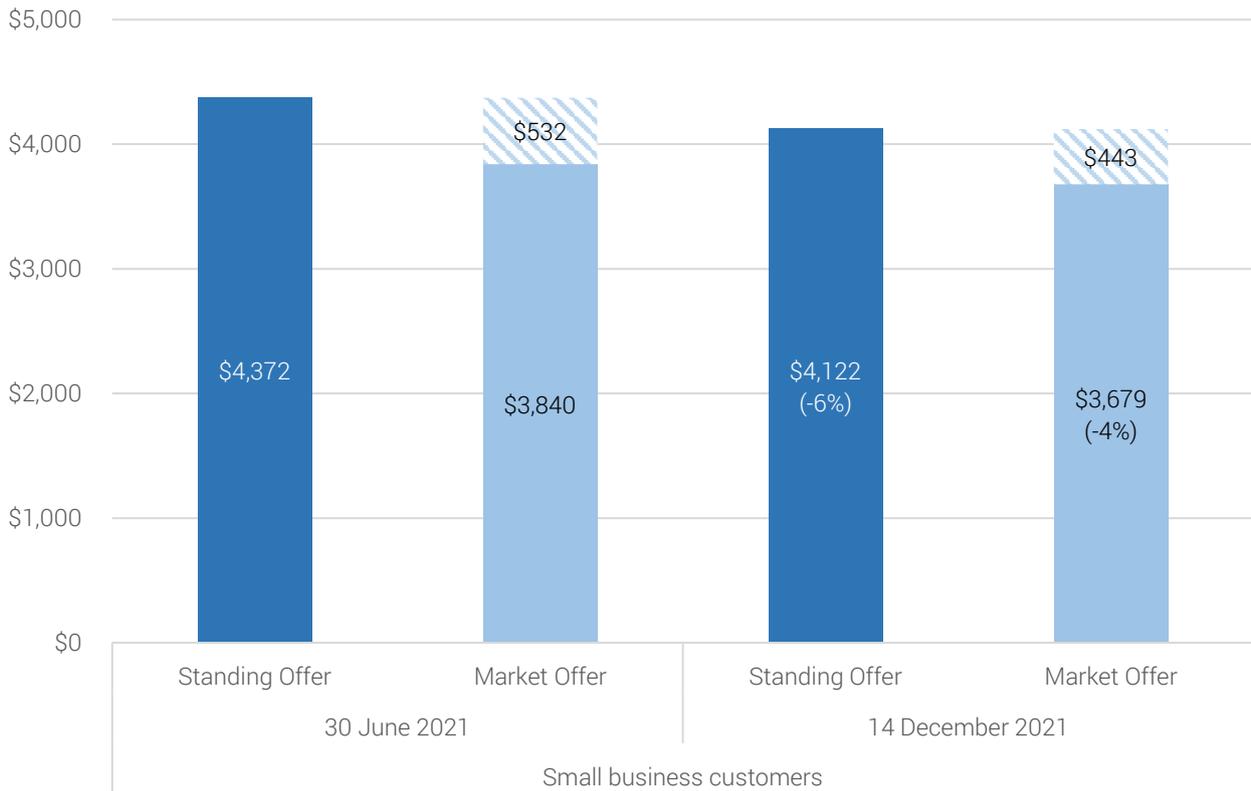
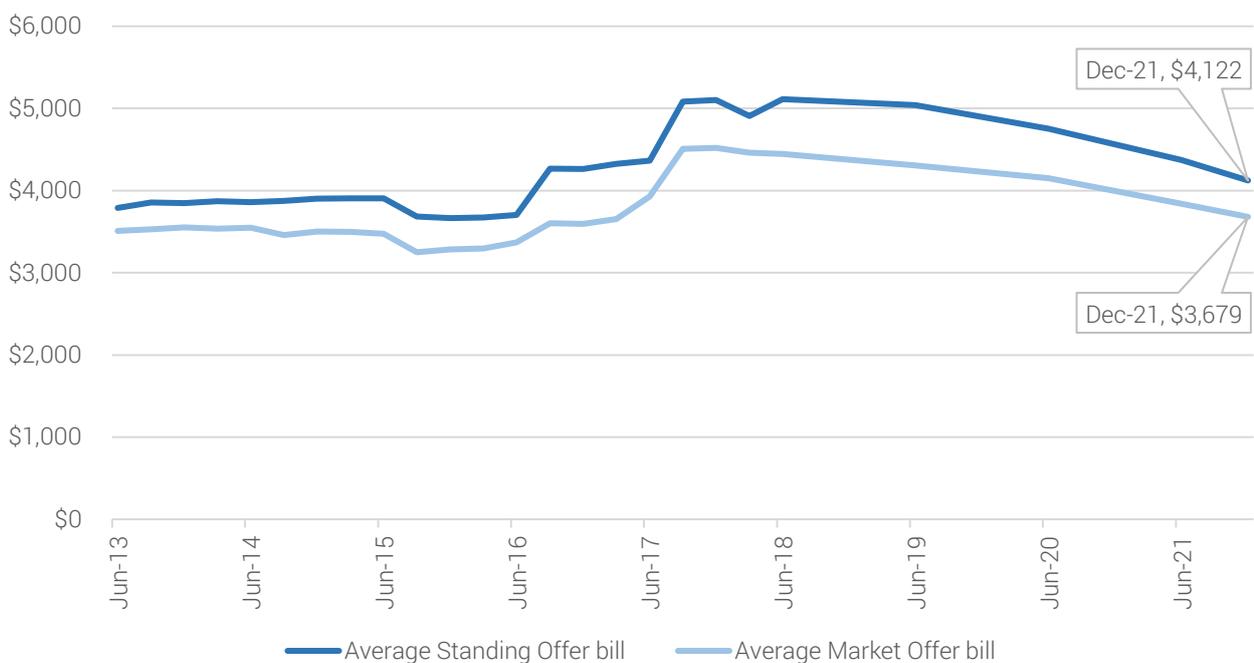


Figure 4 shows the movement of annual small business electricity retail Standing Offer and Market Offer bills between 30 June 2013 and 14 December 2021.

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



The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, visit www.escosa.sa.gov.au.

Essential Services Commission

GPO Box 2605 ADELAIDE SA 5001

Telephone: (08) 8463 4444

E-mail: escosa@escosa.sa.gov.au

Web: www.escosa.sa.gov.au