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Observations from the Vinnies' Tariff-Tracking Project

St Vincent de Paul Society
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Melbourne, February 2025

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Disclaimer

The energy offers, tariffs and bill calculations presented in this paper and associated workbooks should be used as a general guide only and should not be relied upon. The workbooks are not an appropriate substitute for obtaining an offer from an energy retailer. The information presented in this paper and the workbooks is not provided as financial advice. While we have taken great care to ensure accuracy of the information provided in this paper and the workbooks, they are suitable for use only as a research and advocacy tool. We do not accept any legal responsibility for errors or inaccuracies. The St Vincent de Paul Society and Alviss Consulting Pty Ltd do not accept liability for any action taken based on the information provided in this paper or the associated workbooks or for any loss, economic or otherwise, suffered as a result of reliance on the information presented. If you would like to obtain information about energy offers available to you as a customer, go to the relevant regulator's website or contact the energy retailers directly.

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The views expressed in this document do not necessarily reflect the views of Energy Consumers Australia.

We also wish to thank and acknowledge the efforts of the various retailers and other stakeholders that review and provide feedback on these reports. While any errors that may occur are our own, we appreciate their views, suggestions and cooperation.

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Background: The Tariff-Tracking Project

The St Vincent de Paul Society, in conjunction with Alviss Consulting, has been tracking changes to residential energy tariffs and reporting on household impacts since 2010. Initially the Tariff-Tracking project only covered Victoria but has since expanded to include New South Wales, Queensland, South Australia, Tasmania and the Australian Capital Territory.

The rationale for tracking changes to domestic energy prices has been to document price changes, analyse market developments and inform the broader community about bill impacts and potential savings to be made.

In our view, there is still a limited knowledge and understanding in the community of the various energy tariffs available, how they are changing, and how tariff changes impact on households' energy bills and energy affordability more broadly.

Only by improving this awareness and understanding can we ensure that the regulatory framework (for example, in relation to price information and disclosure) is adequate, to and promote a competitive retail market. Furthermore, this increased knowledge will allow for close monitoring of the impact price and tariff changes have on households' bills, and the affordability of this essential service.

In addition, a key aim of this project has been to document and analyse price and product developments arising from government policies and industry innovations, including the deregulation of retail prices, 'green policies', smart meter rollouts and transitions towards other smart grid developments.

With the introduction of the Default Market Offer (DMO) in NSW, South East Queensland and South Australia and the Victorian Default Offer (VDO) in Victoria from 1 July 2019 all the previously deregulated electricity retail markets are again regulated. The DMO and the VDO are significant developments that the Tariff-Tracking project will monitor and analyse the impact of.

The Australian Energy Regulator's (AER) DMO is expressed as an annual bill for a set consumption level and retailers are still able to "translate the annual amount into different tariff structures".[1] The Regulations stipulate that retailers must structure their prices to not exceed the annual DMO price for that consumption level.[2] The initial DMO took effect on 1 July 2019, and was amended in July 2020, 2021, 2022, 2023 and 2024.

The VDO is set by the Essential Services Commission (ESC) and the initial VDO took effect on 1 July 2019, and was amended in January 2020, January 2021, September 2021, January 2022, July 2022, July 2023 and July 2024. The VDO determines the rates for standard metering types (single rate, controlled load and two-rate) in each network area and the retailers are obliged to reflect these rates if they offer non-standard standing offers.[3]

All retailers are required to offer a DMO/VDO but they can, and still do, offer other market contracts.

As the Tariff-Tracking project aims to monitor and assess changes to energy prices over time, the analysis presented in this report will be based on the same consumption levels (6,000 kWh and 30,000 MJ per annum) as in previous national comparison reports produced by the Tariff-Tracking project. The DMO, on the other hand, is set for households using between 3,900

1 AER, Default Market Offer Prices 2019-20, Final Determination, April 2019, 9
2 Ibid., 9
3 See ESC, Victorian Default Offer Price Determination 2022-23, 1 July 2022 – 30 June 2023, 5

and 4,900 kWh/annum in NSW (depending on network area), 4,600 kWh/annum in South East Queensland and 4,000 kWh/annum in South Australia.[4] This means that the bills produced by the DMOs offered by retailers will vary for households using 6,000 kWh/annum as the retail offers have different supply charges and/or usage charges.

To date we have developed five workbooks for each of the National Electricity Market (NEM) jurisdictions.[5] The workbooks allow the user to enter consumption levels and analyse household bills for standing or regulated gas and electricity offers, as well as published electricity and gas market offers.[6] The workbooks, as well as associated reports, can be accessed at the St Vincent de Paul Society's website: www.vinnies.org.au/energy

This report is the result of a comparison of the state by state - based analyses undertaken as part of the Tariff-Tracking project, as well as reflections on the public debate on energy market developments and price fluctuations over the last year.

4 For households with single rate metering.

5 As Tasmania does not have regulated/standing offers for gas and there is only one market offer available, there are currently three workbooks for this jurisdiction.

6 The Victorian workbooks contain regulated/standing offers from July 2008 to July 2022 and market offers from July 2010 to July 2024. The NSW workbooks contain regulated/standing offers from July 2009 to July 2022 and market offers from 2011 and 2024. The Queensland and South Australian workbooks contain regulated/standing offers from July 2009 to July 2024 and market offers from July 2012 to July 2024. The ACT workbooks contain regulated/standing offers from July 2009 to July 2024 and market offers from July 2013 to July 2024. The Tasmanian workbooks contain regulated and market electricity offers from July 2009 to July 2024 and gas market offers from July 2013 to July 2024. From 2016, we have also developed workbooks containing solar offers available to new customers in all of the jurisdictions.

Overview

This report is comprised of four sections.

Section 1 **'How energy prices are tracking'** analyses changes to electricity and gas prices across Australia from July 2009 to July 2024 in order to explore where and when prices have increased or decreased.

Compared to last year, the base rates for both electricity (standing offers) have decreased in Victoria (-6%), South Australia (-2%) and NSW (-2%). In South East Queensland prices have increased by 4% and in the ACT they have increased by 13%. In Western Australia and the Northern Territory prices have increased by 4% and 2% respectively.[7] For gas, prices have increased in all jurisdictions with Western Australia experiencing the largest increase (around 14%) since last year. Queensland has had the lowest increase of 1%.[8]

Section 2 **'The electricity bill-stack'** focuses on the various cost components of electricity bills (the bill-stack) by exploring the cost of each component for each jurisdiction.

For electricity market offers (including pay on time discounts), we estimate that the retail component is negative in the ACT and as high as 15% in South East Queensland.[9] In Victoria the retail component is between 2-6% (depending on network area), in South Australia it is 12% and in NSW it is 2-11% (depending on network area).

Section 3 **'Solar offers'** compares solar offers available to new customers across the NEM as well as examining the various bill components of solar bills.

Annual bills for solar customers have decreased in Victoria, remained almost the same in NSW and Tasmania, and increased in Queensland, the ACT and South Australia.
Since last year, annual bills for solar customers have increased the most in Queensland's Energex network (up $365) while they have decreased the most in Victoria's Ausnet network (down $140). The difference between solar and non-solar bills has decreased in all network areas. The average FIT credit paid to households has also decreased in all jurisdictions.

7 Note that the Energy Bill Relief Fund means that eligible households would have received assistance from the Federal and jurisdictional governments to deal with these price increases. For details see: https://www.energy.gov.au/government-priorities/energy-programs/energy-bill-relief-fund/energy-bill-relief-households

8 Based on July 2023 and 2024 prices in all jurisdictions. Northern Territory is not included in the gas analysis due to low penetration.

9 A negative residual amount in the ACT does not mean that the retailers do not have costs or a margin in this jurisdiction and we emphasise that this is based on average retail bill across all retailers (not weighted for market share). It can, however, indicate that the retail costs/margins are lower in the ACT compared to other jurisdictions.

Section 4 **'Time of Use Pricing'** analyses retailers' time of use (TOU) offers to competing retailers' TOU offers, to the underlying network tariffs, and to the annual bills produced by retailers' flat rate tariff (single rate) in NSW, Queensland and South Australia.[10]

It finds that:

- The complexity of TOU tariffs varies significantly. In Ausgrid, for example, many of the retail offers vary the price according to the time of day (peak, shoulder, off-peak), time of week (weekday/weekend) and season (summer, autumn, winter spring).[11] By contrast, in South Australia where all retailers follow the shape of the underlying network tariff, there is a three-part tariff (peak, shoulder, off-peak) applied seven days a week all year round;
- Depending on the jurisdiction, many retailers do not follow the underlying network tariff structure when shaping their TOU offers;
- Annual bills (for our assumed standard consumption profile) would in many cases decrease if switching from a retailer's flat rate tariff to the same retailer's TOU tariff;
- Savings to annual bills can be greater on a TOU tariff, compared to a flat rate tariff, if the customer also changes retailer.

While we understand that TOU tariffs can be confusing for consumers and we acknowledge that many households have experienced price increases after being reassigned to a TOU tariff, we also argue that there is merit in continuing to pursue more cost reflective tariffs.

The purpose of cost reflective tariffs is to reallocate costs from an increasing uptake of Consumer Energy Resources and to make the overall system more efficient – not to reduce the cost of electricity for every household. We therefore need to utilise other tools and measures to empower households that want to reduce their costs and to help those that would face affordability issues.

These complementary tools and measures include:

- Adequate funding of the Australian Energy Regulator's Energy Made Easy comparison website to ensure that households can be confident that they receive up to date and correct information about the retailers and plans that best suit their consumption profiles.[12]
- Public information campaigns to educate consumers about the shift that has taken place. Just like consumers used to be aware that nighttime electricity was cheapest, consumers should now be aware that daytime electricity is cheapest, nighttime is your second-best option and evenings are most expensive.
- The utilisation of the consumer protection framework to ensure that bill smoothing, or similar measures, are available to households that are financially sensitive to seasonal variations.
- To actively use the concessions framework to lower bills for households that due to various circumstances are unable to reduce and/or shift consumption and subsequently unable to afford the electricity they require.[13]

10 The analysis of TOU tariffs in NSW's Ausgrid network was partially presented in the September 2024 report: New South Wales Energy Prices 2024
An update report on the NSW Tariff-Tracking Project, A report by Alviss Consulting for the St Vincent de Paul Society. The analysis of TOU prices in the Essential Energy network, Energex network and SA Power Networks are new to this report.

11 The underlying network tariff is a seasonal tariff with peak and off-peak times only (no shoulder rates). Ausgrid's peak pricing window is from 3pm and 9 pm every day from 1 June to 31 August and 1 November to 31 March. At all other times the off-peak network tariff applies. See https://www.ausgrid.com.au/Your-Energy-Use/Meters/Time-of-use-pricing

12 Ibid. The September 2024 NSW Tariff-Tracking report found that the Energy Made Easy website' presentation of the various TOU retail offers available to households in NSW is complex and confusing.

13 For example, an additional peak rate concession may be a suitable measure for some concession recipients.

1. How energy prices are tracking

Key findings:

- The base rates for electricity (standing offers) have increased in the ACT, Queensland, Northern Territory and Western Australia compared to last year. In Victoria, NSW and South Australia, however, they have decreased. In Tasmania the prices have remained stable.[14]
- In Victoria electricity prices have decreased by approximately -6%, and in South Australia and NSW they decreased by -2%. In western Australia they increased by 2%, Queensland and the Northern Territory they are up by 4%. The ACT prices have increased the most (by 13%).
- From a longer-term perspective, compared to 2009 electricity prices have increased by 90% on average, with the ACT having experienced the greatest increase (116%).[15]
- Gas prices have increased in all jurisdictions with Western Australia experiencing the largest increase (around 14%) since last year. Queensland has had the lowest increase of 1%.[16]
- From a longer-term perspective, compared to 2009 gas prices have increased by 122% on average, with Victoria experiencing the greatest increases (191%).[17]

This section analyses changes to electricity and gas prices across Australia from July 2009 to July 2024 in order to explore where and when prices have increased or decreased.

14 Based on July 2023 and 2024 prices in all jurisdictions.
15 These are nominal price increases.
16 Based on July 2023 and 2024 prices in all jurisdictions. Northern Territory is not included in the gas analysis due to low penetration.
17 For Tasmania, the comparison is based on 2013 and 2024 prices. All other jurisdictions are based on prices as of 2009 and 2024. These are nominal price increases.

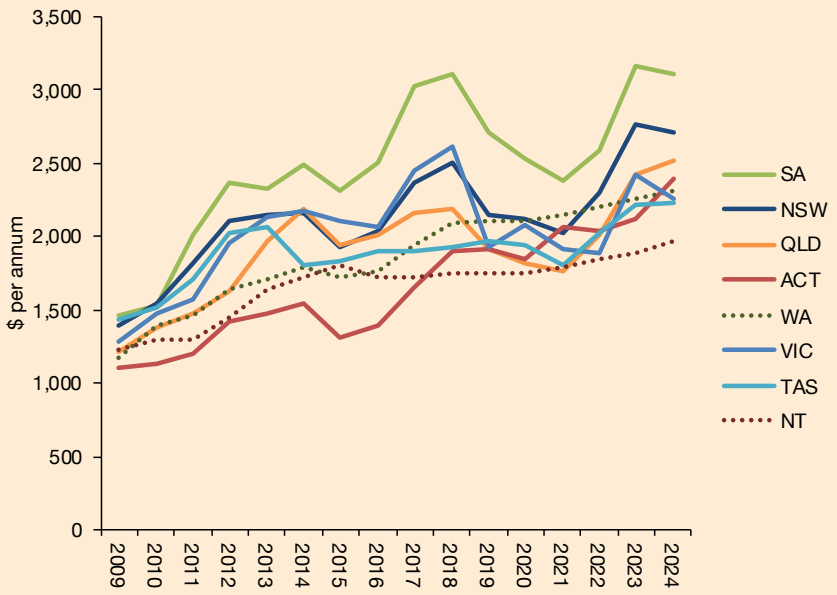
1.1 Electricity prices

In comparison to July 2023, regulated standing offer prices (the base-rate) have changed in all jurisdictions except Tasmania. The size of the increase/decrease, however, varies significantly. **In Victoria electricity prices have decreased by approximately -6%, and in South Australia and NSW by -2%. In South East Queensland prices have increased by 4% and in the ACT they have increased by 13%.** In Western Australia and the Northern Territory prices have increased by 4% and 2% respectively.[18]

Chart 1 shows estimated annual bills for households consuming 6,000kWh per annum (single rate) from July 2009 to July 2024.[19] The dotted lines represent electricity bills in the Northern Territory and Western Australia, the two non-NEM jurisdictions.

Looking at longer-term changes, chart 1 also shows the increasing differences in electricity prices among NEM jurisdictions between 2009 and 2024. While South Australia had the highest prices in both July 2009 and July 2024, the ACT had the lowest (in the NEM) in 2009 and Tasmania had the lowest in July 2024. **The difference between the annual bill for South Australian and ACT households (with this consumption level) was just $350 in 2009 compared to a difference of approximately $890 between South Australian and Tasmanian households in 2024.**

CHART 1 | Changes to electricity prices in Australia July 2009 to July 2024 as estimated annual bills (nominal, incl GST) for electricity regulated/ standing offers, 6,000kWh per annum, single rate[20]



18 Note that the Energy Bill Relief Fund means that eligible households would have received assistance from the Federal and jurisdictional governments to deal with these price increases. For details see: https://www.energy.gov.au/government-priorities/energy-programs/energy-bill-relief-fund/energy-bill-relief-households

19 Note that Tasmania introduced carbon exclusive prices from 1 July 2014 (rather than backdating new prices after the repeal) and Tasmania's July 2014 price is therefore carbon exclusive.

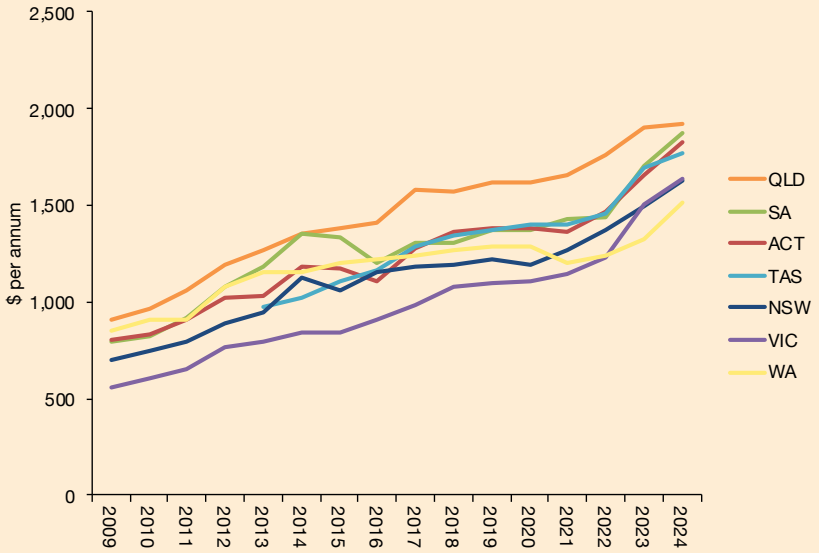
20 As the prices differ between network areas in NSW and Victoria, the estimated bills in these two states are based on the average across network areas. In NSW, the price is based on the DMO since July 2019 and average standing offer prior to that. In Victoria, the price is based on the VDO since July 2019 and average standing offer prior to that. In South Australia, the price is based on the DMO since July 2019, average retail standing offer from July 2015 to July 2018, and AGL's regulated/ standing offer prior to that. In Queensland, the price is based on the DMO since July 2019, the average retail standing offer (Energex network) from July 2016 to 2018, and the regulated/standing offer prior to that. The regulated rate has been used for ACT, Tasmania, Western Australia and the Northern Territory. Note that the transitional tariffs previously available in SA and NSW are not included in this chart.

1.2 Gas prices

Typical household gas consumption varies significantly between jurisdictions. In Victoria, for example, typical household consumption is over 60,000MJ per annum. In Queensland, on the other hand, household consumption is typically less than 10,000Mj per annum. Chart 2 below compares annual gas bills across Australia (except the Northern Territory) from July 2009 to July 2024 for households consuming 30,000Mj per annum. It shows that gas prices are greatest in Queensland and lowest in Western Australia. However, if we assume a more representative consumption level for each jurisdiction, Victorians will have greater gas bills than Queenslanders. **Gas prices have increased in all jurisdictions since July 2023 with the increases being greatest in Western Australia (14%) and in South Australia and the ACT (10%).**

Chart 2 also shows that the price difference between the jurisdictions has not increased by much since 2009. Unlike in the case of electricity, the difference between the jurisdiction with the highest annual bill (Queensland) and the jurisdiction with the lowest (Victoria) was $350 in 2009 while the difference between the highest (Queensland) and the lowest (Western Australia) is currently around $410 for this consumption level.

CHART 2 | Changes to gas prices in Australia July 2009 to July 2024 as estimated annual bills (nominal, incl GST) for gas regulated/standing offers, 30,000Mj per annum[21]



21 In Victoria the standing offer price is based on the incumbents' average retail standing offer across the eight main gas zones. In NSW the standing offer price is based on the regulated retail offer across the eleven gas zones until July 2016. In July 2019, 2020, 2021, 2022 and 2023, it is based on the incumbent retailer's standing offer in each gas zone. In Queensland it is based on the average AGL and Origin standard retail gas offers in the North Brisbane and South Brisbane gas zones. In South Australia it is based on Origin's regulated/standing offers across five gas zones. In the ACT it is based on ActewAGL's standard gas offer. In Tasmania (data from 2013 to 2023 only) it is based on Aurora and Tas Gas' average standard offer. In Western Australia it is based on the government's price cap for customers in the southwest region.

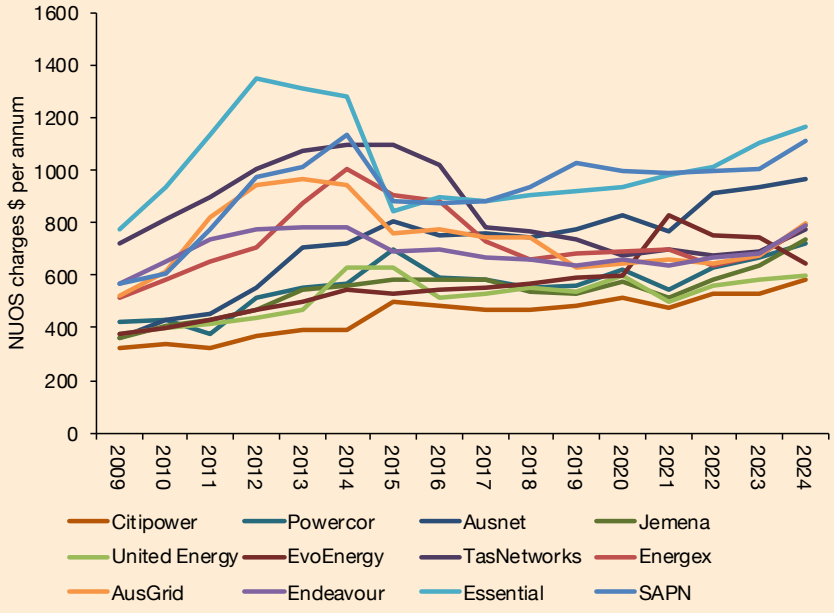
2. The electricity bill-stack

Electricity bills are made up of several components, including generation (wholesale market) costs, network costs (distribution and transmission), 'green schemes' and costs associated with other public policy initiatives, and retail costs. As retail prices were deregulated in Victoria, South Australia, NSW and Queensland until July 2019, effective competition was required to ensure that households did not pay more than necessary for both generation (wholesale) and retail services (including retail margins). With the re-regulation of retail markets in July 2019, however, the regulatory decisions impact on the bill-stack for standing offer (DMO and VDO) while the market offers still reflect the competitive pressures. This section therefore seeks to explore the cost of each component for each jurisdiction, as well as differences between the types of offers/ contracts.

Chart 3 below shows that in 2024, **Network Use of System** (NUOS) **charges increased slightly in all network areas except the ACT. The greatest increase being in NSW's Ausgrid network.**

Chart 3 also shows that the NUOS price changes vary significantly between the networks. Households in rural NSW (Essential) and South Australia (SAPN) pay the highest NUOS charges in the NEM. The NUOS charges are lowest in Victoria's metropolitan Citipower network. The difference between NUOS costs in the various networks has increased slightly since last year. Currently an annual "NUOS bill" for this consumption level is $585 more in the Essential network compared to Citipower. By contrast, the difference was as high as $985 in 2012.

CHART 3 | NUOS charges from July 2009 to July 2024 as estimated annual cost (GST exclusive) for households using 6,000kWh per annum, single rate[22]



22 The annual NUOS charges have been calculated by allocating 1,500kWh per quarter (again based on annual consumption of 6,000kWh) to the step charges stipulated in the NUOS. The annual NUOS cost also includes fixed charges.

Chart 4 below looks at NUOS charges as a proportion of total bill. It shows that the NUOS proportion of electricity bills is now highest (38%) in NSW's Essential network and Victoria's Ausnet network (37%). By comparison, the NUOS accounts for 27% of electricity bills in the ACT's EvoEnergy network. Since last year, the NUOS proportion has increased in all networks except for EvoEnergy.

CHART 4 | NUOS charges (excl GST) from July 2009 to July 2024 as proportion (%) of annual retail bill (incl. GST) for electricity selected regulated/standing offers, 6,000kWh per annum, single rate[23]

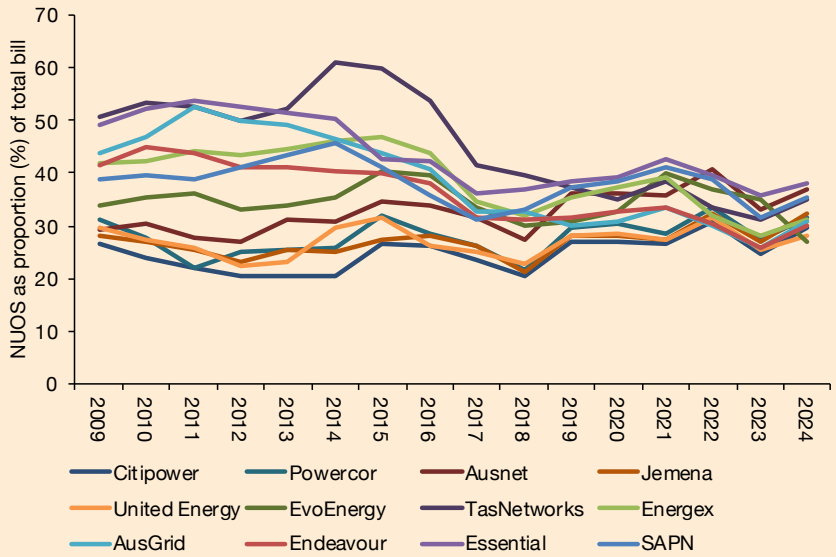
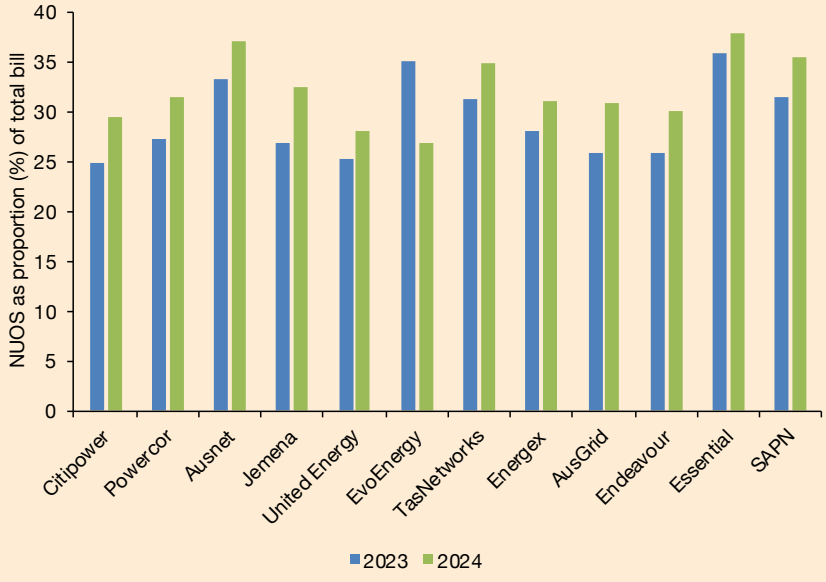


Chart 5 compares the NUOS proportion of bills in July 2023 to July 2024. It shows that the only decrease occurred in the ACT's EvoEnergy network. The greatedt increases have occurred in Victoria's Jemena and Citipower networks as well as Ausgrid in NSW.

CHART 5 | NUOS charges (excl GST) from July 2023 and July 2024 as proportion (%) of annual retail bill (incl. GST) for electricity *selected* regulated/standing offers, 6,000kWh per annum, single rate



23 In Victoria the standing offer bill is based on the average incumbent (AGL, Origin and Energy Australia) standing offer as of July every year and the VDO since July 2019. In NSW the retail bill is based on the regulated rate from 2009 to 2013 and the incumbent retailer's standing offer in each of the network areas (Origin or Energy Australia) since July 2014. In South Australia the retail bills are based on the regulated rates as well as AGL's standing offer post retail deregulation. In Queensland the retail bills are based on the regulated rates as well as AGL and Origin's average standing offer post retail deregulation (July 2016). In all other jurisdictions the retail bills are based on the regulated rates.

In order to examine what households actually pay for the various goods, services and policies that are costed by the supply chain and passed on to consumers in a retail bill, we deduct estimated cost components from the average annual retail bill for households using 6,000kWh per annum post July 2024.

While we do not know exactly what retailers pay for wholesale energy, we have used the wholesale costs figures that the AER (NSW, Queensland and South Australia), ESC (Victoria) and ICRC (ACT) used in order to determine the DMO, VDO and regulated rates for 2024/25.[24] Table 1 below shows the regulators' estimated wholesale costs for 2024/25.

TABLE 1 | Estimated electricity wholesale costs ($/MWh)

Jurisdiction	Network	Wholesale cost $/MWh
NSW	Ausgrid	163
NSW	Endeavour	174
NSW	Essential	163
QLD	Energex	165
SA	SAPN	180
VIC	Citipower	102
VIC	Powercor	122
VIC	Ausnet	122
VIC	Jemena	119
VIC	United Energy	116
ACT	EvoEnergy	158

The same regulators' data has also been used to estimate 'green scheme' costs.[25] It should be noted that the Victorian 'green scheme' costs are based on the Large-scale Renewable Energy Target (LRET) and Small-scale Renewable Energy Scheme (SRES) only and do not include the cost of Feed-in Tariffs (social cost of carbon) or the cost of the Victorian Energy Upgrades scheme. In the ACT, the 'green scheme' costs are based on the national 'green scheme' costs as reported by the ICRC.[26] Table 2 below shows the regulators' estimated environmental costs for 2024/25.

24 AER, Default market offer prices 2024-25, Final determination, Table 5.2, ESC, Victorian Default Offer 2024-25, Final Decision Paper, May 2024, Table A.1 and ICRC, Retail electricity price investigation 2024-27, Draft report, Report 1 of 2024, January 2024, Section 5.1.3. As the Office of the Economic Regulator in Tasmania uses a different format to report on the costs associated with the regulated rates, Tasmania has not been included in this analysis.

25 AER, Default market offer prices 2024-25, Final determination, Table 6.1, ESC, Victorian Default Offer 2024-25, Final Decision Paper, May 2024, Table A.8 and ICRC, Retail electricity price investigation 2024-27, Draft report, Report 1 of 2024, January 2024, Table 5.4.

26 We have also been advised that the NUOS includes some 'green scheme' costs in the ACT.

TABLE 2 | Estimated 'green scheme' costs ($/MWh)

Jurisdiction	Network	'Green scheme' cost $/MWh
NSW	Ausgrid	20
NSW	Endeavour	20
NSW	Essential	19
QLD	Energex	17
SA	SAPN	22
VIC	Citipower	37
VIC	Powercor	37
VIC	Ausnet	37
VIC	Jemena	37
VIC	United Energy	37
ACT	EvoEnergy	17

While we believe these figures provide a good indication of wholesale and 'green scheme' costs in the various jurisdictions, we note that differences in methodologies used as well as differences in policy objectives and purposes of the DMO, VDO or regulated rates can impact on where and how costs have been allocated in the various jurisdictions.

In order to examine what households pay for the various services (and policies) that are costed by the supply chain and passed on to consumers in the form of a retail bill, tables 3 and 4 below estimate the retail component of bills for standing offer customers and market offer customers. Both tables are based on households consuming 6,000 kWh per annum at a single rate tariff.

By deducting GST, NUOS costs, wholesale costs and the cost of environmental policies ('green schemes'), the residual retail component of a residential *standing offer* bill (final column) is as low as $377 (in Victoria's Citipower network) and as high as $535 (in NSW's Essential Energy network).[27]

27 Note that other charges such as separate metering costs, market fees and ancillary service fees as well as losses have not been accounted for in this bill-stack. As the Office of the Economic Regulator in Tasmania uses a different format to report on the costs associated with the regulated rates, Tasmania has not been included in this analysis.

TABLE 3 | Deduction of bill components for regulated/standing offers, average annual bill based on offers taking effect post July 2024 (6,000kWh per annum, single rate)[28]

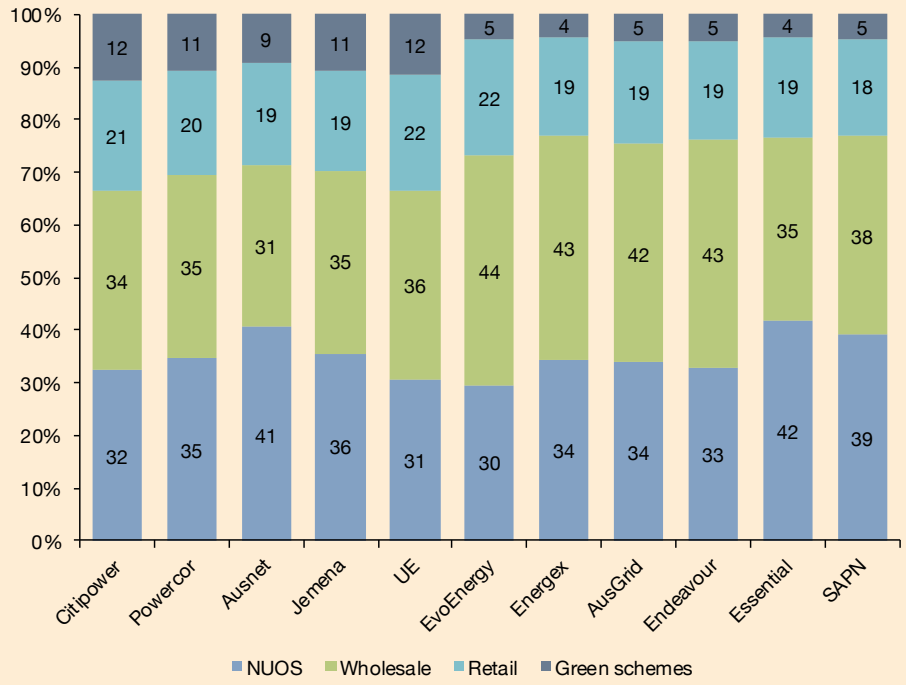
	Retail bill incl. GST^	Retail bill excl. GST	Retail bill excl. GST and NUOS*	Retail bill excl. GST, NUOS and whole-sale^^	Retail bill excl. GST, NUOS, wholesale and "green scheme"
Citipower	1,970	1,791	1,210	600	377
Powercor	2,306	2,096	1,372	640	417
Ausnet	2,623	2,385	1,414	681	458
Jemena	2,273	2,066	1,330	616	393
UE	2,129	1,935	1,340	645	422
EvoEnergy	2,398	2,180	1,535	585	481
Energex	2,531	2,300	1,512	533	434
Ausgrid	2,585	2,350	1,553	575	458
Endeavour	2,644	2,404	1,611	569	450
Essential	3,076	2,796	1,630	651	535
SAPN	3,131	2,846	1,735	654	521
^ As per chart 4 above	** As per chart 3 above*		*^^As per table 1 above*	*** As per table 2 above*	

Chart 6 below is based on the same calculations presented in table 3 above but shows the various bill components as a percentage of the total bill. **Our estimates show that between 18-25% of the bills paid by households goes to the retailer, which is a narrower spread compared to last year when it was 7-25%.**[29] The wholesale component of the bill is now the greatest bill component in six network areas. In Victoria's Ausnet and Jemena networks, NSW's Essential network and South Australia's SAPN network, however, the NUOS component is greater than the wholesale component.

28 This table is based on the same offers used for July 2024 in chart 4 above. Note that the 'green scheme' component is only based on LRET and SRES in Victoria and national 'green scheme' costs in the ACT.

29 Cost of retail includes both retail costs and margins (profits) and we stress that some of the cost components are based on estimates rather than actual known costs.

CHART 6 | Estimated bill-stack for *selected regulated/standing offers*, average annual bill based on the offers taking effect post July 2024 (6,000kWh per annum, single rate, excluding GST)[30]



As the calculations for the chart above are based on standing and/or regulated prices, a bill-stack analysis for market offers is included below.[31] A longstanding feature of market offers in the NEM retail markets has been to offer a discount on the published rates. After the introduction of the DMO/VDO, however, the number of offers with additional discounts, and especially conditional pay on time discounts, has reduced significantly. Instead, many retailers now apply different base rates to their market offers.

Table 4 below deducts estimated cost components from the annual retail market offer bill (including pay on time discounts) for households using 6,000kWh per annum post July 2024. After deducting GST, NUOS costs, wholesale costs, the cost of environmental policies ('green schemes'), amounts in the final column are negative in the ACT (EvoEnergy) and as high as $326 in South East Queensland (Energex).[32] This may indicate that the retail costs/margins are lower for market offer customers in the ACT compared to other jurisdictions. By comparing these figures to the regulated/standing offers examined in table 3 above, we can see that **the retail component of bills is significantly lower for market offers compared to regulated/standing offers.**

30 This chart is based on the calculation used for table 3 above. Note that the 'green scheme' component is only based on LRET and SRES in Victoria and national 'green scheme' costs in the ACT.

31 Note that the market offer bill-stack as it is based on the average market offer (unweighted) across all retailers.

32 A negative residual amount in the ACT does not mean that the retailers do not have costs or a margin in this jurisdiction and we emphasise that this is based on average retail bill across all retailers (not weighted for market share). It can, however, indicate that the retail costs/margins are lower in the ACT compared to other jurisdictions. We have also been advised that the NUOS includes some 'green scheme' costs in the ACT. Note that other charges such as market fees and ancillary service fees as well as losses have not been accounted for in this bill-stack.

TABLE 4 | Deduction of bill components for selected market offers (including pay on time discounts), average annual bill based on offers taking effect post July 2024 (6,000kWh per annum, single rate)

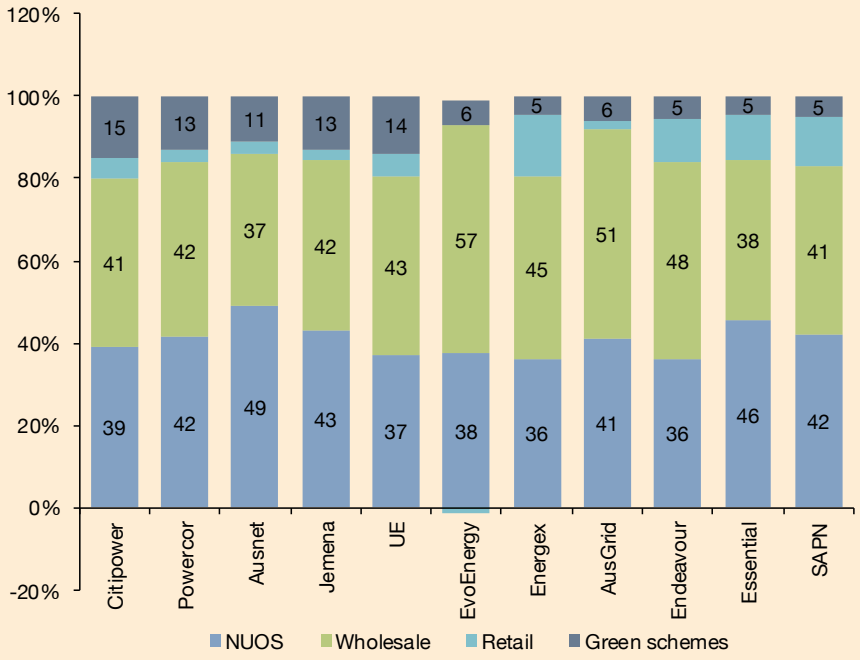
	Retail bill incl. GST^	Retail bill excl. GST	Retail bill excl. GST and NUOS	Retail bill excl. GST, NUOS and whole-sale*	Retail bill excl. GST, NUOS, wholesale and "green scheme" costs**
Citipower	1,635	1,486	906	296	73
Powercor	1,914	1,740	1,015	283	60
Ausnet	2,177	1,979	1,009	276	53
Jemena	1,886	1,715	978	265	41
UE	1,767	1,607	1,011	316	93
EvoEnergy	1,847	1,679	1,034	84	-20
Energex	2,412	2,193	1,405	425	326
Ausgrid	2,120	1,927	1,131	153	35
Endeavour	2,405	2,186	1,393	351	232
Essential	2,799	2,545	1,379	400	284
SAPN	2,912	2,647	1,535	455	322

^ Based on market offers available post July 2024 (including guaranteed and pay on time discounts) offered by the same retailers included in the analysis of standing/regulated offers (table 3)
**As per table 1 above. **As per table 2 above*

Chart 7 below is based on the same calculations presented in table 4 above but shows the various bill components as a percentage of the total bill. Chart 7 shows that the retail proportion of bills is smaller for market offers compared to standing/regulated offers in all jurisdictions (chart 6 compared to chart 7). Again, we note that some of the cost components are based on estimates rather than actual, known costs.[33]

33 Cost of retail includes both retail costs and margins (profits). A negative residual amount in the ACT does not mean that the retailers do not have costs or a margin in this jurisdiction and we emphasise that this is based on average retail bill across all retailers (not weighted for market share). It can, however, indicate that the retail costs/margins are lower in the ACT compared to other jurisdictions.

CHART 7 | Estimated bill-stack for market offers, average annual bill based on the offers taking effect post July 2024 (6,000kWh per annum, single rate, excluding GST)[34]



34 This chart is based on the calculation used for table 4 above.

3. Solar offers

This year is the ninth year the Tariff-Tracking project includes offers available to solar customers and compared offers based on both electricity bought and feed-in-tariff (FIT) rates for electricity sold. The online workbooks allow users to compare offers for 3 kW and 1.5 kW capacity systems, based on nominated consumption levels and location (network and urban or non-urban setting).[35] The analysis presented below is based on 3 kW systems in urban locations and the assumptions applied are shown in table 5.

Key findings include:

- Annual bills for solar customers have decreased in Victoria, remained almost the same in NSW and Tasmania, and increased in Queensland, the ACT and South Australia.
- Since last year, annual bills for solar customers have increased the most in Queensland's Energex network (up $365) while they have decreased the most in Victoria's Ausnet network (down $140).
- The difference between solar and non-solar bills has decreased in all network areas.
- The average FIT credit paid to households has also decreased in all jurisdictions.

TABLE 5 | Assumptions: Generation capacity and export (%) in capital cities, 3 kW systems[36]

Capital cities	Annual generation per kW installed	Export rates (%)
Adelaide	1.680 MWh	51.8%
Brisbane	1.736 MWh	53.4%
Melbourne	1.539 MWh	47.4%
Hobart	1.185 MWh	47.4%
Canberra	1.801 MWh	55.1%
Sydney	1.614 MWh	49.9%

Chart 8 shows average annual bills for solar customers (3 kW systems installed) in metropolitan areas using 6,000 kWh (imported as well as generated) per annum.[37]

It shows that the average annual bills (calculations based on all retailers' solar market offers) are lowest in Victoria's Citipower network and highest in South Australia's SAPN network.

35 We note that these systems are small compared to the size of the typical systems that are currently being installed. However, as a key objective of the Tariff-Tracker is to compare developments over time, we continue to base the analysis on 3 kW and 1.5 kW systems.

36 The Tasmanian 1.185 MWh generation capacity is based on small-scale technology certificates (STC) for zone 4. The Export rate is based on Melbourne assumptions and may therefore be slightly higher than the Tasmanian average. The Canberra assumptions are based on non-metropolitan NSW rates and will therefore be somewhat high for ACT housing experiencing overshadowing.

37 Based on average market offer (all retailers) including guaranteed discounts, pay on time discounts, FIT credits and GST. NSW's Essential network is not included as it covers rural NSW only.

CHART 8 | Annual retail bills for solar customers post July 2024, inclusive of pay on time discounts and FIT credits (6,000kWh per annum, single rate, GST incl)

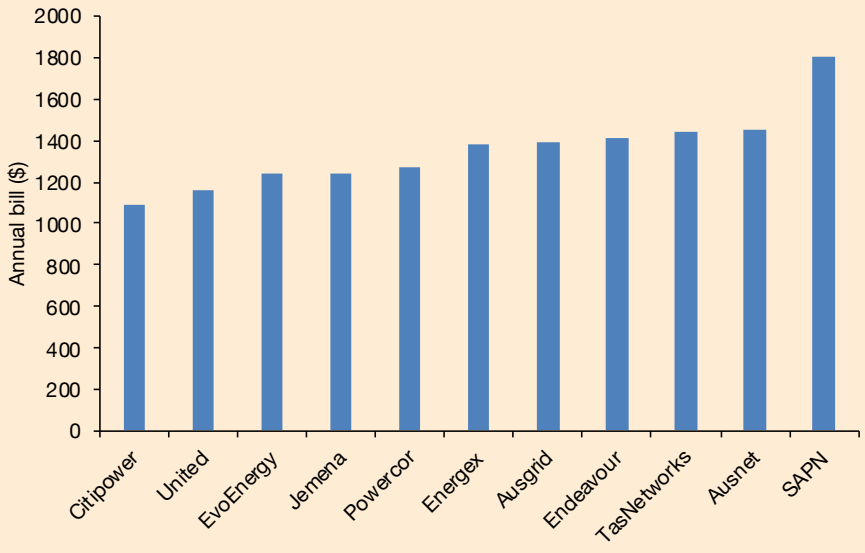


Chart 9 compares annual bills for non-solar customers and solar customers. It shows that the greatest bill difference is in South Australia ($1,120) while the smallest difference is in Victoria's Citipower network ($650). **The trend has been that difference between solar and non-solar bills has decreased in recent years (except for in 2023). In July 2020 the average difference was $860, in July 2021 the average difference was $780, in July 2022 it was $655, in July 2023 it was $875 and in July 2024 it was back down to $810.**

CHART 9 | Annual retail bills for non-solar customers and solar customers post July 2024, inclusive of pay on time discounts and FIT credits (6,000kWh per annum, single rate, GST incl)[38]

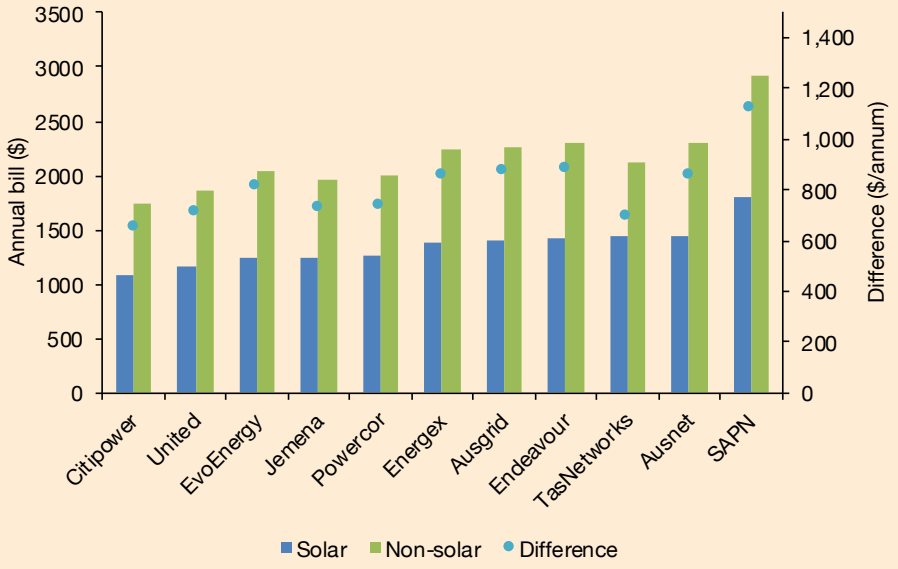
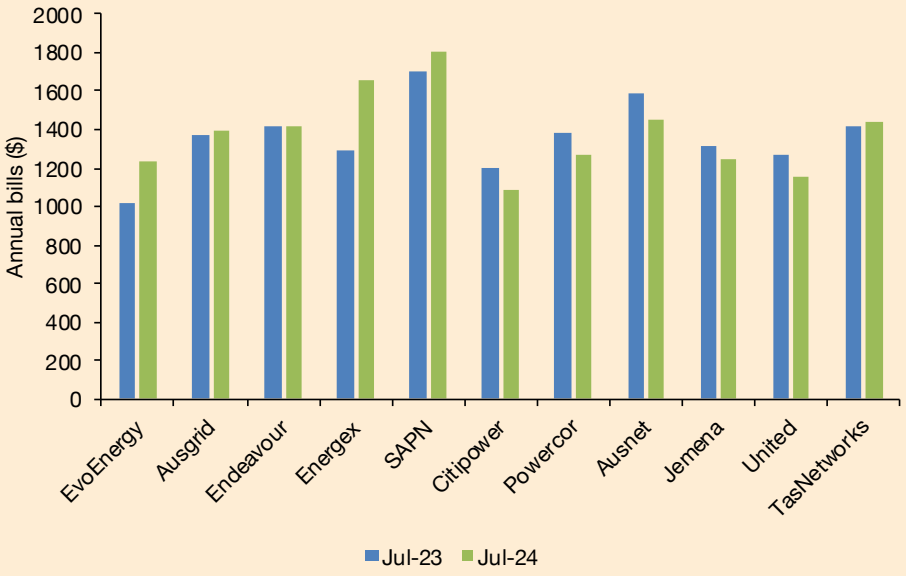


Chart 10 below compares solar bills as of July 2023 to bills post July 2024. It shows that the **annual bills for solar customers have decreased in Victoria, remained almost the same in NSW and Tasmania, and increased in Queensland, the ACT and South Australia. The largest increase has been in Queensland's Energex network (up $365). In Victoria's Ausnet network, on the other hand, the average bill has decreased by $140.**

38 The average market and solar offer bills in this chart are based on all retailers with an offer in each network area. In section 2 above, on the other hand, market offers were based on selected retailers in order to compare against relevant regulated/ standing offers.

CHART 10 | Annual retail bills for solar customers post July 2023 and 2024, inclusive of pay on time discounts and FIT credits (6,000kWh per annum, single rate, GST incl)[39]



The average FIT credit paid to households has decreased in all jurisdictions. The largest decrease was in South Australia (41%). Table 6 below shows average FIT credit as of post July 2023 and post July 2024 as well as percentage change for households using 6,000 kWh/annum and with a 3 kW system installed.

TABLE 6 | Annual average FIT credit, market offers post July 2023 and July 2024, 6,000kWh per annum, 3 kW system, single rate

Jurisdiction	Average annual FIT credit ($) post July 2023	Average annual FIT credit ($) post July 2024	% change
South Australia	$184	$108	-41%
ACT	$259	$228	-12%
Queensland	$239	$156	-35%
New South Wales	$218	$145	-34%
Victoria	$152	$107	-30%
Tasmania	$183	$158	-14%

Table 7 below deducts estimated cost components from the annual retail market offer bill (including pay on time discounts) for households with 3kW systems installed and using 6,000kWh per annum post July 2024. After deducting GST, NUOS costs, wholesale costs and the cost of environmental policies ('green schemes'), amounts in the final column are less than $105 in all network areas.[40] A comparison of the residual amount for non-solar households to solar households indicates that the retail component is higher for solar households in Victoria (except for the Citipower and United Energy networks) and the ACT and vice versa in the other jurisdictions.[41]

39 Based on average market offer (all retailers) including guaranteed discounts, pay on time discounts, FIT credits and GST for metropolitan customers with 3 kW systems. NSW's Essential network is not included as it covers rural NSW only.

40 Note that other charges such as separate metering fees, market fees and ancillary service fees as well as losses have not been accounted for in this bill-stack. As the Office of the Economic Regulator in Tasmania uses a different format to report on the costs associated with the regulated rates, Tasmania has not been included in this analysis.

41 NSW's Ausgrid network is an exception, and this reflects that the analysis is based on Energy Australia's market offers in this area. Energy Australia's non-solar market offer includes a discount of 18% while their solar offer does not have a discount.

TABLE 7 | Deduction of bill components selected solar offers (including pay on time discounts and FIT rates), annual bill based on offers taking effect post July 2024 (6,000kWh per annum, 3 kW system, single rate)

	Retail bill incl. GST^	Retail bill excl. GST	Retail bill excl. GST and NUOS	Retail bill excl. GST, NUOS and whole-sale*	Retail bill excl. GST, NUOS, wholesale and "green scheme" costs**
Citipower	1038	943	560	197	64
Powercor	1252	1138	648	213	80
Ausnet	1427	1297	672	236	104
Jemena	1218	1107	622	197	65
UE	1119	1017	629	216	83
EvoEnergy	1215	1105	650	84	22
Energex	1363	1239	685	102	43
Ausgrid	1370	1245	711	128	58
Endeavour	1446	1315	765	144	73
SAPN	1666	1515	768	124	45

^ Based on solar offers available post July 2024 (including guaranteed and pay on time discounts) offered by the same retailers included in the analysis of standing/regulated offers (table 3) and market offers (table 4)
**As per table 1 above.*
***As per table 2 above*

4. Time of Use Pricing

It is becoming increasingly common that households in NSW, Queensland and South Australia are on a time of use (TOU) tariff.[42] According to the Australian Energy Regulator's (AER) Regulatory Information Notices (RIN) there were just over 345,000 households on the TOU tariff in the Ausgrid network (tariff EA025) as of June 2023.[43] In the Essential network there were just under 246,000 households on TOU tariffs (tariffs BLNT3AU and BLNT3AL) and in the Endeavour network there were 1,370 households on the seasonal TOU tariff (tariff N71). Queensland's Energex network has approximately 20,000 residential customers on their TOU tariff (tariff 6900) and the SA Power Networks has approximately 395,000 residential customers on theirs (RTOU).[44]

Electricity distributors develop the tariff structures, but the retailers can change, as well as simplify, the tariffs if they wish. Just as the majority of retail offers do not pass on wholesale rates, retailers can manage risk on behalf of their customers by changing the tariff structure. To date, however, there has been very little retail innovation in this area.

In November 2024, the Australian Energy Market Commission (AEMC) finalised a Rule Change which included measures to protect customers from "bill shock" after having a smart meter installed.[45] The proposal includes a two-year explicit informed consent period where customers that have had a TOU enabling smart meter installed can refuse to be reassigned from a flat tariff to a TOU tariff.[46] The AEMC's view is that this will allow customers to understand their load profile and have the ability to compare and identify products that best suit their needs.

This section compares: retailers' time of use (TOU) offers; retailers' TOU tariffs to the underlying network tariffs; and the annual bills produced by retailers' TOU and flat rate tariffs (single rate) in NSW, Queensland and South Australia.[47] It finds that:

- The complexity of TOU tariffs varies significantly. In Ausgrid, for example, many of the retail offers vary the price according to the time of day (peak, shoulder, off-peak), time of week (weekday/weekend) and season (summer, autumn, winter, spring).[48] By contrast, in South Australia where all retailers follow the shape of the underlying network tariff, there is a three-part tariff (peak, shoulder, off-peak) applied seven days a week all year round;
- Depending on the jurisdiction, many retailers do not follow the underlying network tariff structure when shaping their TOU offers;
- Annual bills (for our assumed standard consumption profile) would in many cases decrease if switching from a retailer's flat rate tariff to the same retailer's TOU tariff;
- Savings to annual bills can be greater on a TOU tariff, compared to a flat rate tariff, if the customer also changes retailer.

42 With the rollout of smart meters customers have been migrated from a flat rate tariff to a TOU tariff (or a demand tariff) upon new meters being installed.

43 AER RIN data, Pricing, P1 Cost reflective tariffs.

44 AER RIN data, Pricing, P1 Cost reflective tariffs. Note that Energex has more residential customers (approximately 635,000) on the Residential Transitional Demand Tariff (tariff 3900) than they do on the TOU tariff.

45 See AEMC, Rule Determination, National Electricity Amendment Accelerating smart meter deployment) Rule, 28 November 2024 at https://www.aemc.gov.au/sites/default/files/2024-11/Final%20rule%C2%A0determination%C2%A0%20271124%20%28For%20publication%29.pdf

46 Note that while this analysis focuses on TOU tariffs, households can also be transferred to other more cost reflective tariffs, such as demand tariffs.

47 The analysis of TOU tariffs in NSW's Ausgrid network was partially presented in the September 2024 report: New South Wales Energy Prices 2024.
An update report on the NSW Tariff-Tracking Project, A report by Alviss Consulting for the St Vincent de Paul Society. The analysis of TOU prices in the Essential Energy network, Energex network and SA Power Networks are new to this report.

48 The underlying network tariff is a seasonal tariff with peak and off-peak times only (no shoulder rates). Ausgrid's peak pricing window is from 3pm and 9 pm every day from 1 June to 31 August and 1 November to 31 March. At all other times the off-peak network tariff applies. See https://www.ausgrid.com.au/Your-Energy-Use/Meters/Time-of-use-pricing

4.1 NSW

As there are less than 1,500 customers on a TOU tariff in Sydney's Endeavour Energy network (Western Sydney, the Blue Mountains, South Coast and Illawarra), this analysis covers the Ausgrid network (Southern, Eastern and Northern Sydney, Newcastle and Upper Hunter) and the rural Essential Energy network only.

4.1.1 Ausgrid Network

In the Ausgrid network retailers offer non-seasonal and seasonal TOU tariffs. The non-seasonal tariffs are quite easy to compare. Charts 11 and 12 below show AGL, Alinta and Red Energy's TOU tariffs for weekdays and weekends. They show that the price differentiation is very low between the three retailers except for Alinta's weekday peak rates.

CHART 11 | A AGL, Alinta and Red Energy's TOU usage charges (c/kWh) for weekday consumption, post July 2024, incl. GST in the Ausgrid network

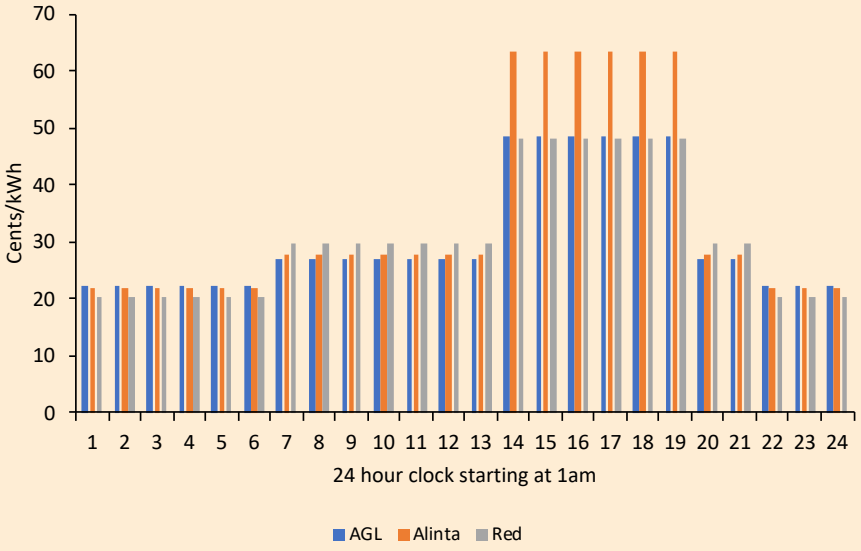
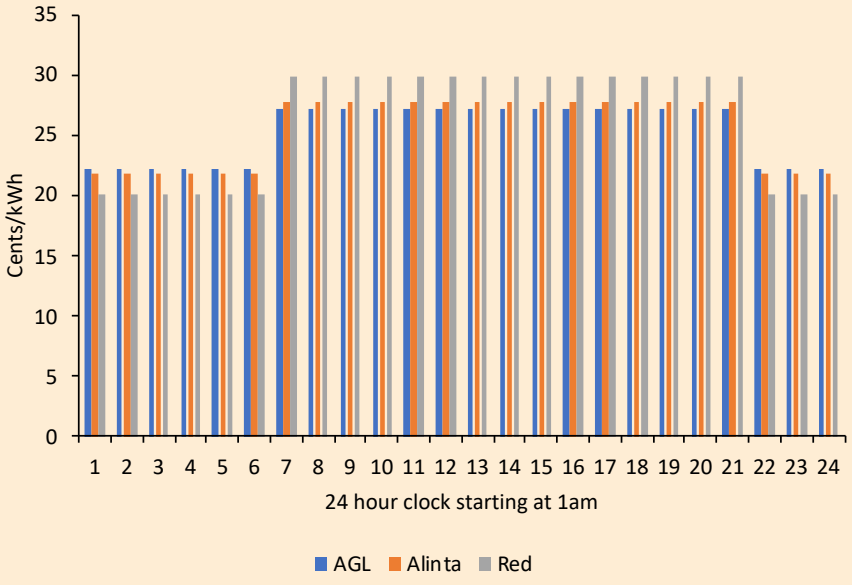


CHART 12 | AGL, Alinta and Red Energy's TOU usage charges (c/kWh) for weekend consumption, post July 2024, incl. GST in the Ausgrid network



Seasonal tariffs bring additional tariff variations to consider and therefore make them harder to compare. The winter season is three months (1 June to 31 August), the spring season is two months (1 September to 31 October), the summer season is 5 months (1 November to 31 March), and the autumn season is two months (1 April to 31 May). Peak rates are typically applied to certain times of the day during the winter and summer seasons. Most retailers (but not all) apply the same rates to the shorter spring and autumn seasons.

Charts 13 and 14 below show Energy Australia, Origin, Powershop, Nectr and Tango Energy's TOU tariffs for winter weekdays and weekends.[49] They show that the price differentiation is quite low except for Powershop's much lower weekday peak rate (chart 13) and Nectr's weekend peak rates (chart 14). Nectr's peak rate also starts 2 hours earlier compared to the other retailers.

CHART 13 | Winter prices - Energy Australia, Origin, Powershop, Nectr and Tango Energy's TOU usage charges (c/kWh) for weekday consumption, post July 2024, incl. GST in the Ausgrid network

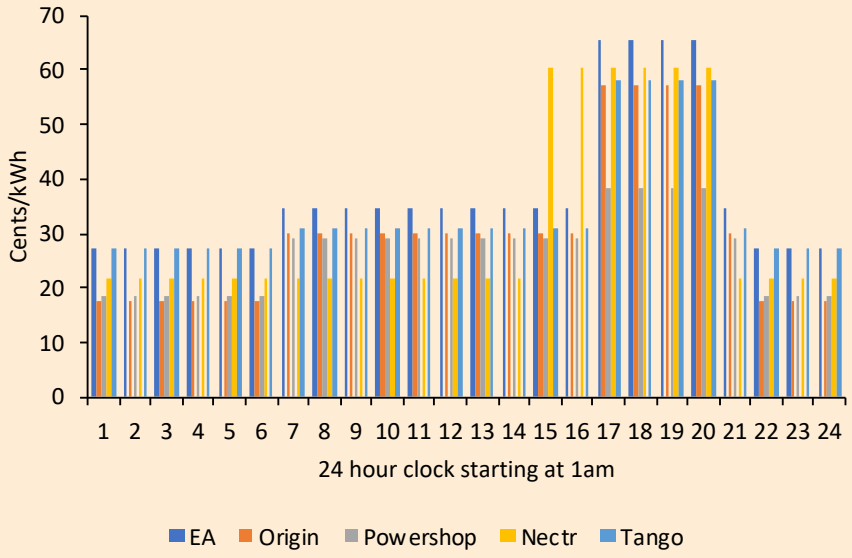
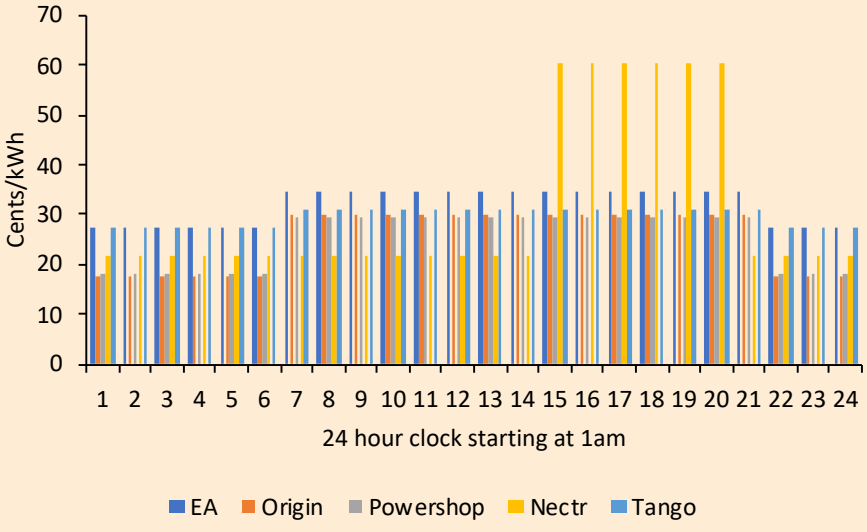


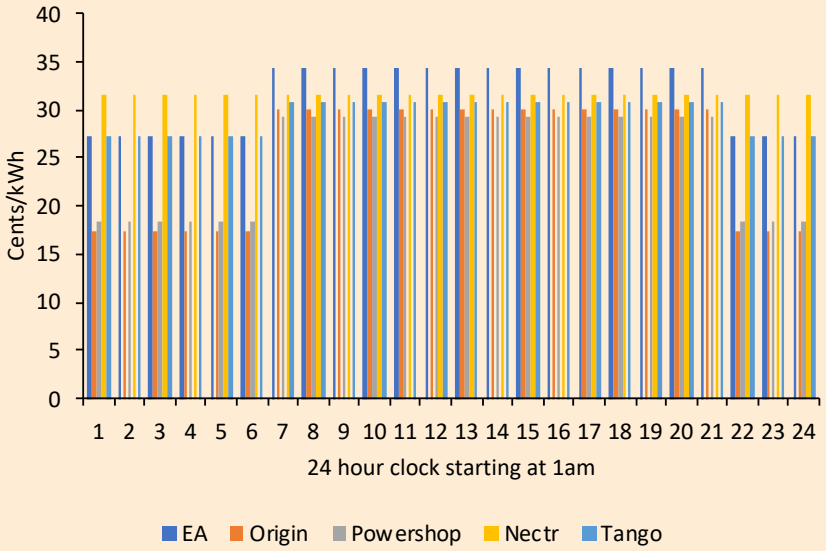
CHART 14 | Winter prices - Energy Australia, Origin, Powershop, Nectr and Tango Energy's TOU usage charges (c/kWh) for weekend consumption, post July 2024, incl. GST in the Ausgrid network



49 Note that these are rates only and do not include discounts. Energy Australia's offer does include a discount off bill that is not shown in these charts.

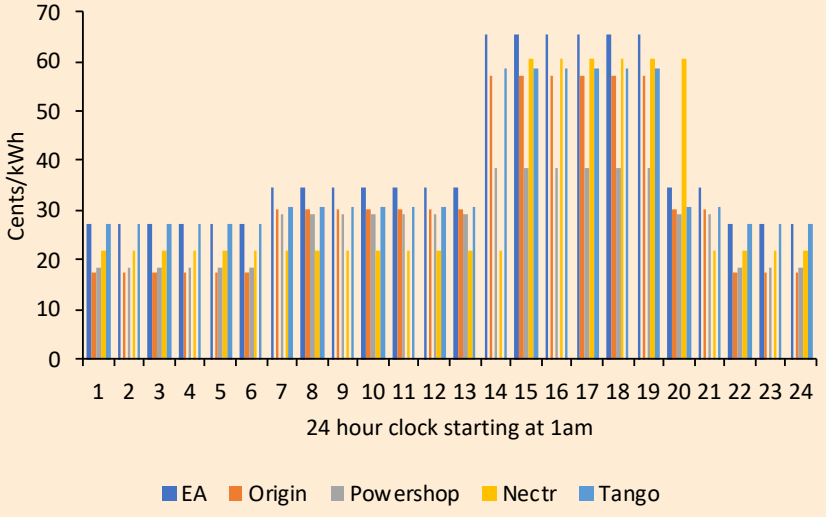
Chart 15 below shows Energy Australia, Origin, Powershop, Nectr and Tango Energy's TOU tariffs for spring weekdays/weekends. It shows that Origin and Powershop have much lower night rates than the other retailers and that Nectr has a flat spring rate.[50]

CHART 15 | Spring prices - Energy Australia, Origin, Powershop, Nectr and Tango Energy's TOU usage charges (c/kWh) for weekday and weekend consumption, post July 2024, incl. GST in the Ausgrid network



Charts 16 and 17 below show Energy Australia, Origin, Powershop, Nectr and Tango Energy's TOU tariffs for summer weekdays and weekends.[51] Similar to the winter season, the price differentiation is quite low except for Powershop's much lower weekday peak rate (chart 16) and Nectr's weekend peak rates (chart 17). Nectr's peak rate also lasts 1 hour longer compared to the other retailers.

CHART 16 | Summer prices - Energy Australia, Origin, Powershop, Nectr and Tango Energy's TOU usage charges (c/kWh) for weekday consumption, post July 2024, incl. GST in the Ausgrid network



50 Note that these are rates only and do not include discounts. Energy Australia's offer does include a discount off bill that is not shown in these charts.

51 Ibid.

CHART 17 | Summer prices - Energy Australia, Origin, Powershop, Nectr and Tango Energy's TOU usage charges (c/kWh) for weekend consumption, post July 2024, incl. GST in the Ausgrid network

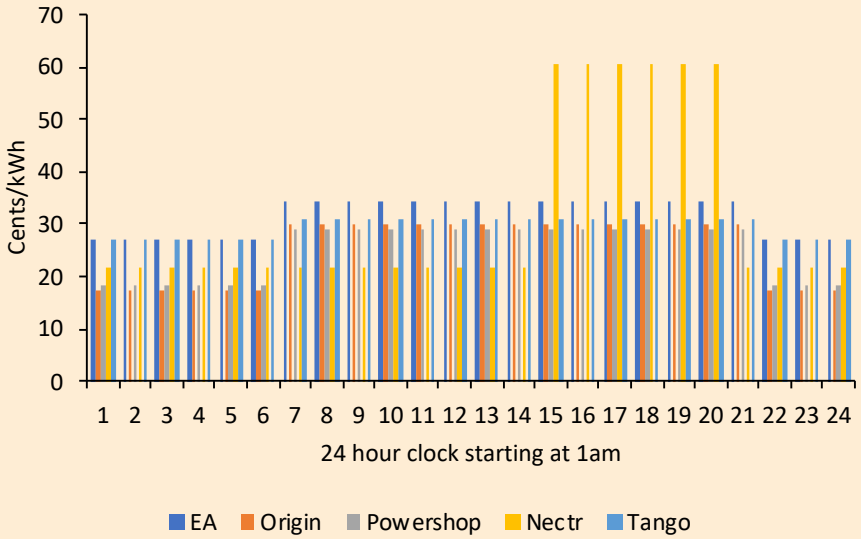
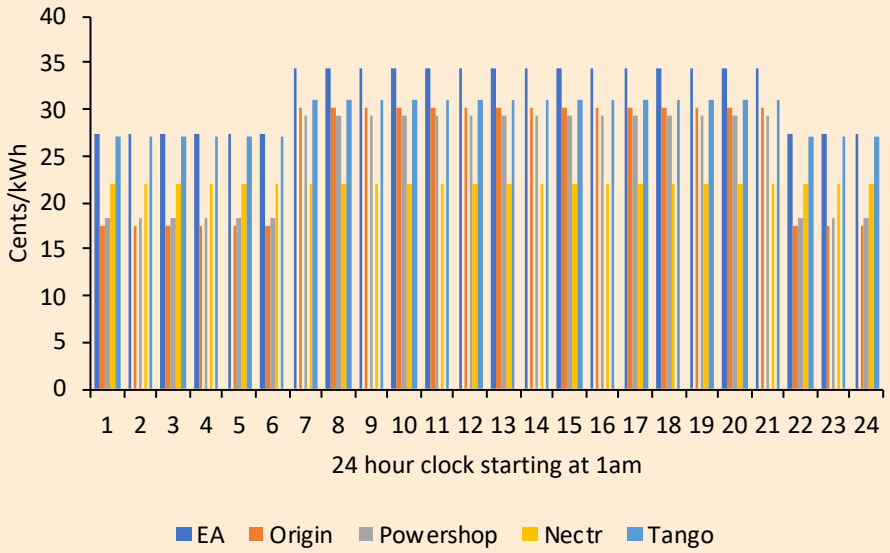


Chart 18 below shows Energy Australia, Origin, Powershop, Nectr and Tango Energy's TOU tariffs for spring weekdays/weekends. It shows that Origin and Powershop have much lower night rates than the other retailers and that Nectr has a flat rate.[52]

CHART 18 | Autumn prices - Energy Australia, Origin, Powershop, Nectr and Tango Energy's TOU usage charges (c/kWh) for weekday and weekend consumption, post July 2024, incl. GST in the Ausgrid network



Charts 19 and 20 below show the assumed consumption profile applied to our bill calculations for weekdays and weekends.[53] **It shows mornings and evenings are peak consumption times in the winter, spring and autumn and that daytime consumption is significantly higher during the summer compared to the other seasons.**

52 Note that these are rates only and do not include discounts. Energy Australia's offer does include a discount off bill that is not shown in these charts.

53 Out of the total annual usage, 21% of usage has been allocated to winter weekdays and 10% to winter weekends/holidays, 27% to summer weekdays and 13% to summer weekends/holidays, 10% to spring weekdays and 5% to spring weekends/holidays, 10 % to autumn weekdays and 4% to autumn weekends/holidays. These assumptions have been developed in consultation with Ausgrid.

CHART 19 | Weekday consumption profile for households using 15 kWh per day on average (5,471 kWh/ annum) in the Ausgrid network

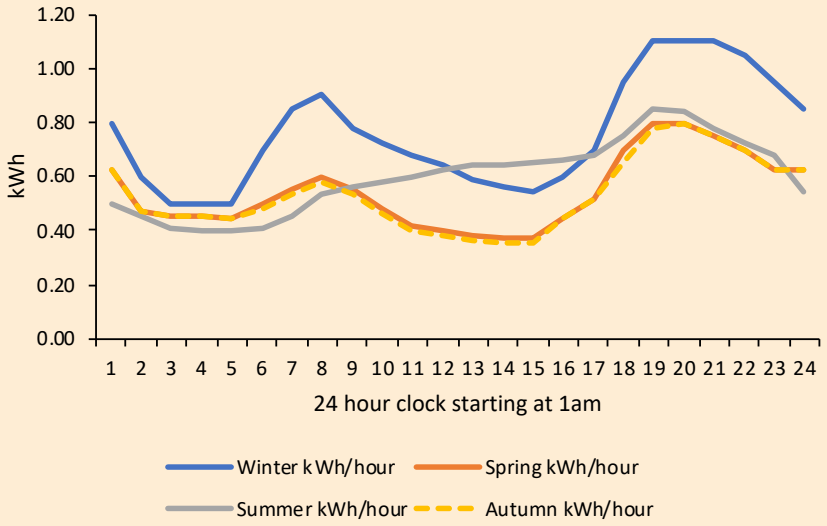
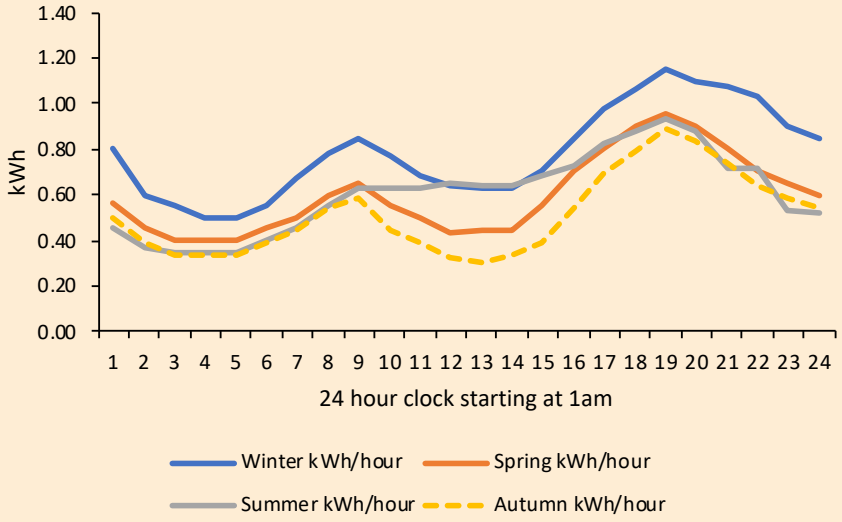


CHART 20 | Weekend consumption profile for households using 15 kWh per day on average (5,471 kWh/ annum) in the Ausgrid network



Using an average load profile (as per charts 19 and 20 above), and an annual consumption of 5,471 kWh, the best offer (Powershop) produces an annual bill of $1,810 while the worst offer (Tango) produces an annual bill of $2,275. That is a maximum price difference of $465 per annum. See chart 21 below.

CHART 21 | Annual bill comparison (including guaranteed discounts), TOU offers in Ausgrid post July 2024, based on an average annual consumption of 5,471 kWh.

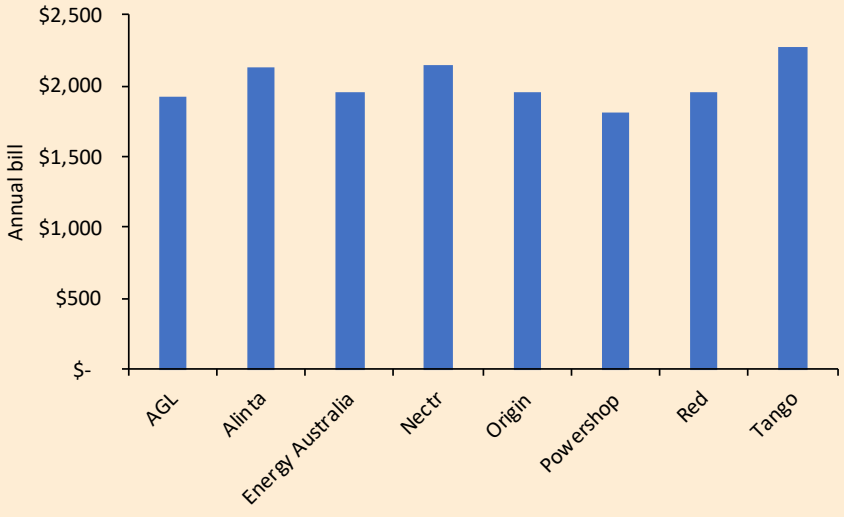
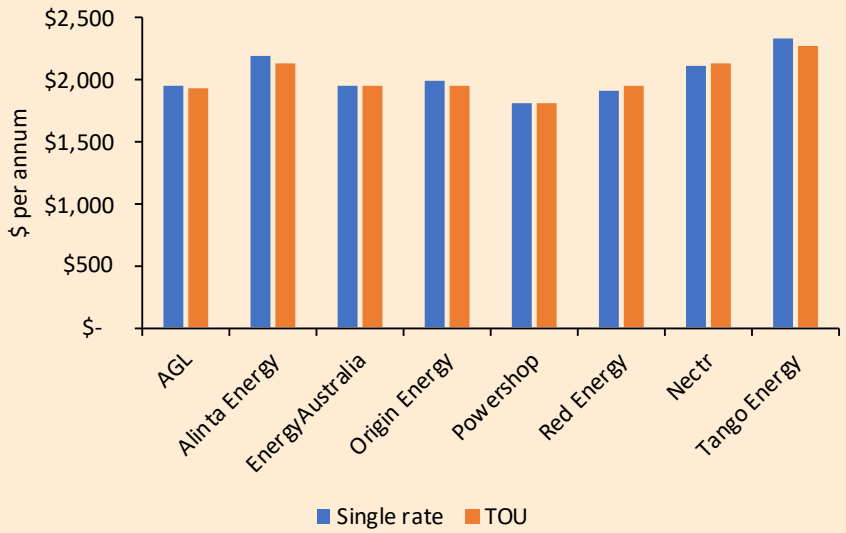


Chart 22 below compares the annual bills for the TOU tariff to the same retailers' annual bills for the single/flat rate. **It shows that only two of the retailers' TOU bills (Red Energy and Nectr) are greater than the retailers' single rate bills** (for this consumption level and assumed consumption profile). **Furthermore, households on a single rate tariff may be significantly better off on a different retailer's TOU tariff. A customer on Tango's single rate tariff, for example, may be $525 better off on Powershop's TOU tariff.**

CHART 22 | Annual bill comparison, TOU vs. Single/flat rate offers in Ausgrid post July 2024, based on an average annual consumption of 5,471 kWh.

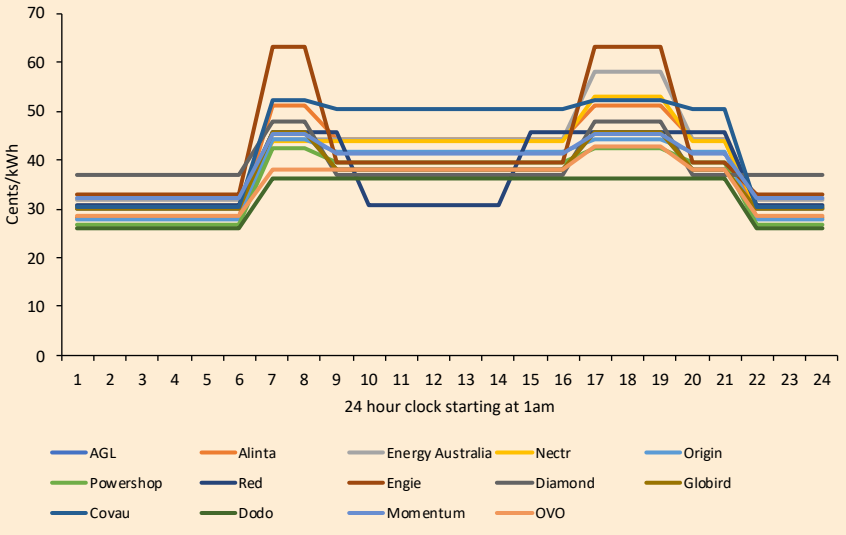


4.1.2 Essential Energy Network

In the Essential Energy network most retailers offer a TOU tariff consisting of an early morning and evening peak, daytime shoulder rate and a nighttime off-peak rate on weekdays as well as an off-peak rate on weekends. There are, however, variations in terms of the time (hours) attracting the various rates. In terms of the flat off-peak weekend rate, Red Energy is the only retailer that applies a two-part TOU tariff to weekends as well as weekdays.

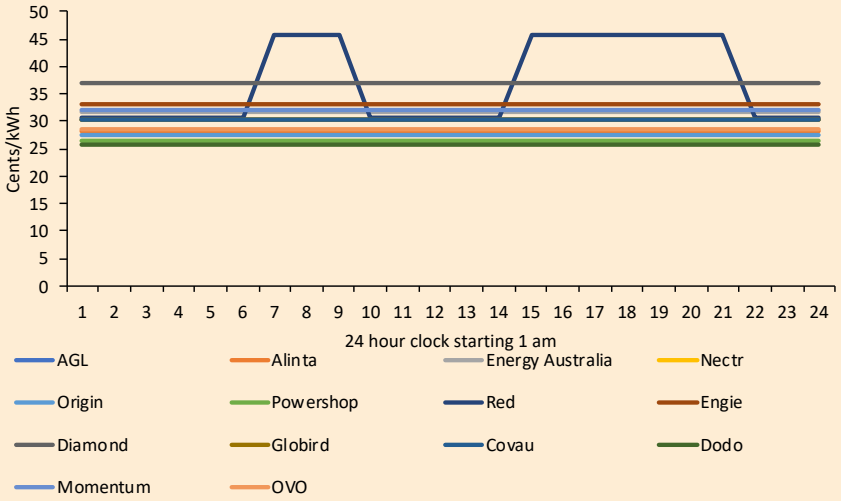
Chart 23 below shows the retailers' weekday prices (c/kWh) over a 24-hour period. It shows that Dodo has the lowest night rate while Diamond Energy has the highest, Red Energy has the lowest mid-day rate (shoulder rate) while CovaU has the highest, and that Dodo has the lowest peak rates while Engie has the highest.

CHART 23 | Retailers' weekday TOU pricing in the Essential Energy network, post July 2024, c/kWh, including GST



On weekends, Diamond Energy has the highest flat rate while Dodo has the lowest. Red Energy applies a two rate tariff to its weekend rates. See chart 24.

CHART 24 |
Retailers' weekend TOU pricing in the Essential Energy network, post July 2024, c/kWh, including GST

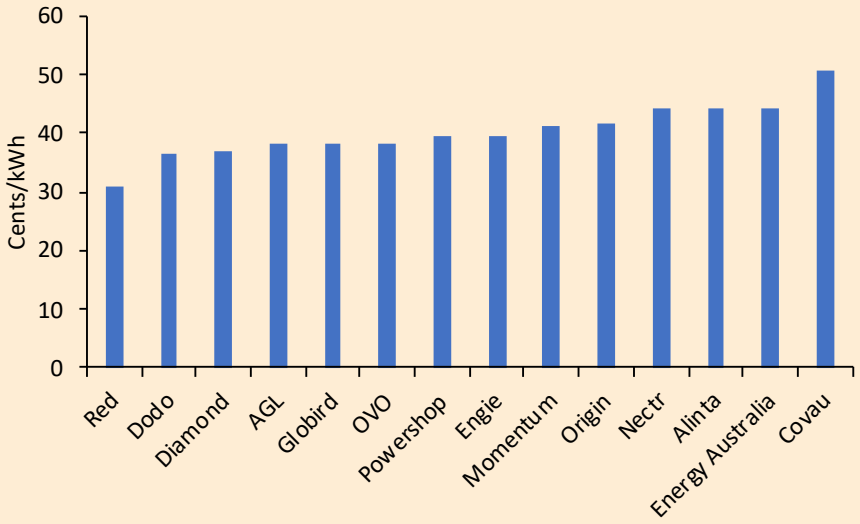


The difference between the retail tariffs is greatest at peak times (early morning and evening) when Engie charges over 26 c/kWh more than Dodo. See chart 25.

CHART 25 |
Retailers' peak weekday pricing (early morning and evening) in the Essential Energy network, post July 2024, c/kWh, including GST

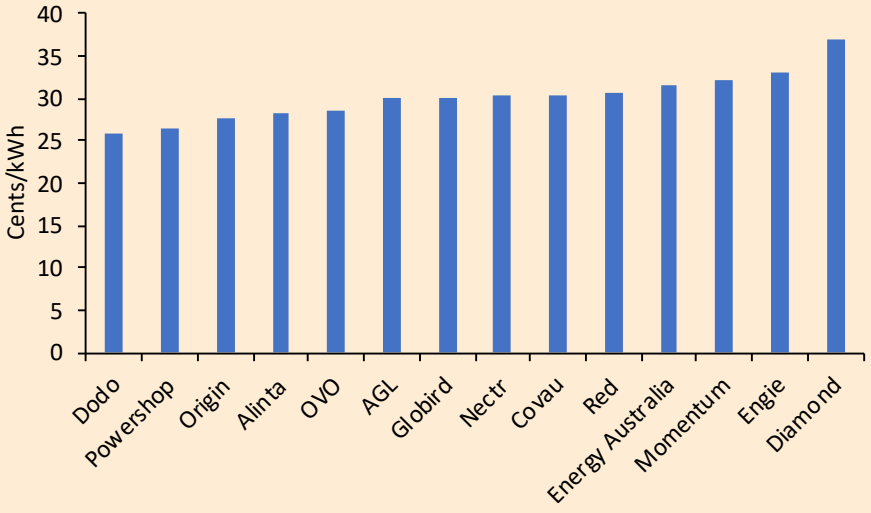
The difference between the retail tariffs during the middle of the day (shoulder rate) is also significant as CovaU charges almost 20 c/kWh more than Red Energy. See chart 26.

CHART 26 |
Retailers' mid-day weekday pricing (shoulder) in the Essential Energy network, post July 2024, c/kWh, including GST



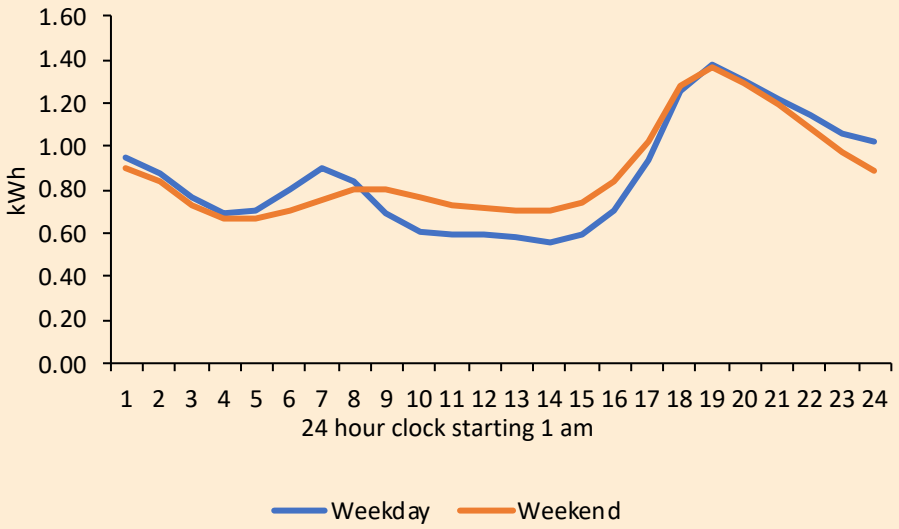
During off-peak times (nights) the difference is somewhat less with Dodo charging 11 c/kWh less than Diamond Energy. See chart 27.

CHART 27 |
Retailers' night weekday pricing (off-peak) in the Essential Energy network, post July 2024, c/kWh, including GST



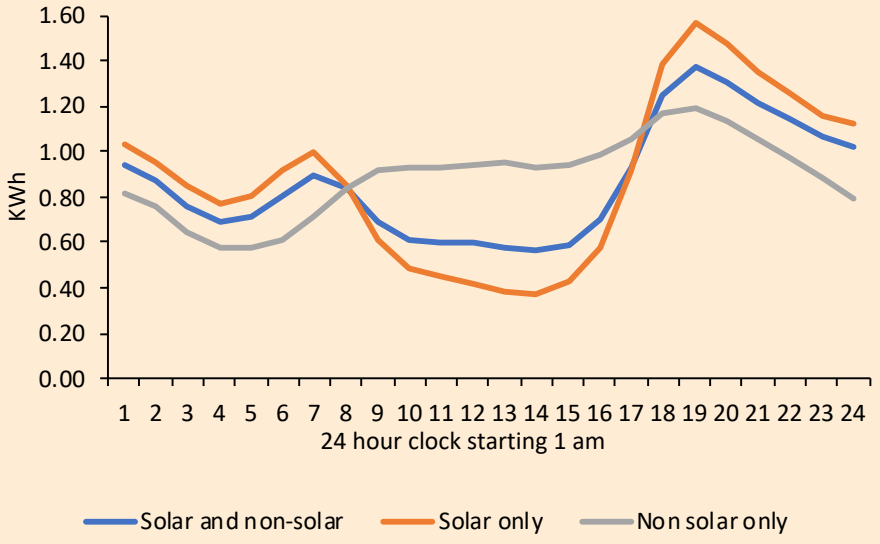
A sample of customers' load profiles, collated and provided by the Essential Energy network, shows that **households typically use the most in the evenings and the least during the night.** Chart 28 below shows the average consumption profile for households in Essential Energy (solar and non-solar households).

CHART 28 |
Residential load profile in Essential Energy network



It is worth noting, however, that **this very low mid-day usage of imported energy is driven by the self-generated consumption in solar households.** Chart 29 below shows the significant difference in weekday daytime consumption (of imported electricity) between solar households and non-solar households.

CHART 29 |
Residential weekday load profiles for solar, non-solar as well as solar and non-solar households in the Essential Energy network



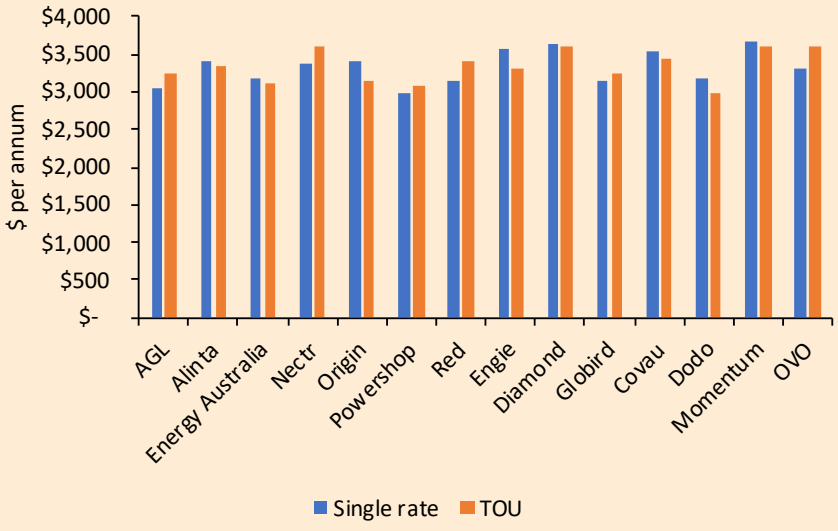
A comparison of annual bills for TOU customers shows that the price-spread, the maximum difference, between annual retail bills is around $635 for households using 7,624 kWh per annum.[54] Chart 30 below shows that households with average consumption level and usage pattern would be worst off on Diamond's TOU offer and best off on Dodo's offer.

54 This consumption level is based on a sample of customers' average consumption (solar and non-solar households) in the Essential Network. The load profile used is the average load profile for solar and non-solar households discussed above.

CHART 30 |
Retailers' TOU offers post July 2024 in the Essential Energy network, as annual bills (incl GST and guaranteed discounts) for households using 7,624 kWh per annum

Using the same annual consumption and consumption profile outlined above, eight out of fourteen retail offers produce a lower annual bill for households on the TOU tariff compared to the same retailer's single rate tariff. In the case of Engie, Origin and Dodo, households would be over $200 better off on the TOU tariff compared to the single rate. That said, **it is crucial that consumers are able to identify the retailer that has the best offer for their consumption profile. A household with this profile on the worst single rate offer would be $685 better off on the best TOU offer. Conversely, a household on the worst TOU offer would be $620 better off on the best single rate offer.** See chart 31.

CHART 31 |
Retailers' TOU offers compared to single rate offers post July 2024 in the Essential Energy network, as annual bills (incl GST and guaranteed discounts) for households using 7,624 kWh per annum

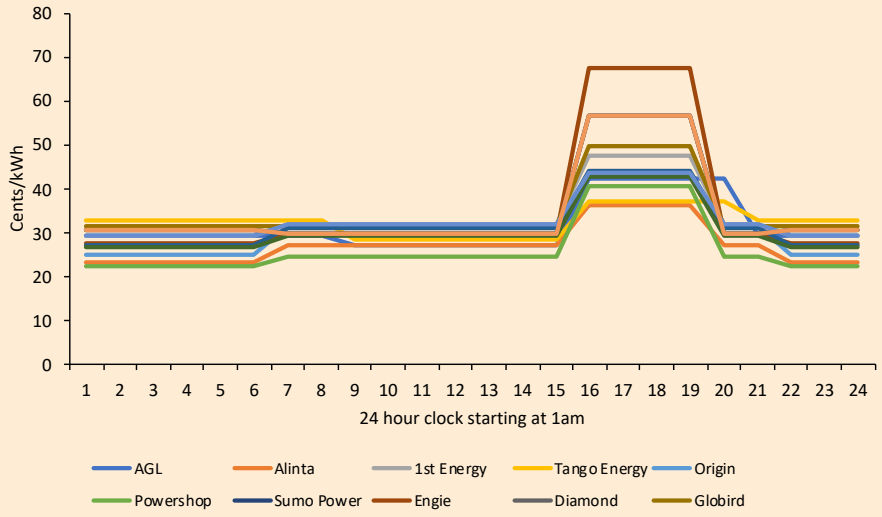


4.2 Queensland

In the Energex network **the network TOU tariff is based on an evening peak, daytime off-peak rate and a nighttime shoulder rate.** However, as the difference between the daytime off-peak rate and the nighttime shoulder rate is relatively small, some retailers offer their cheapest rates at nighttime while others offer theirs during the day. GloBird, on the other hand, uses two rates only with an evening peak. There are also some variations in terms of the time (hours) attracting the various rates. In terms of the weekend rate, AGL and Tango Energy are the only retailers that apply an evening peak rate to the weekends.

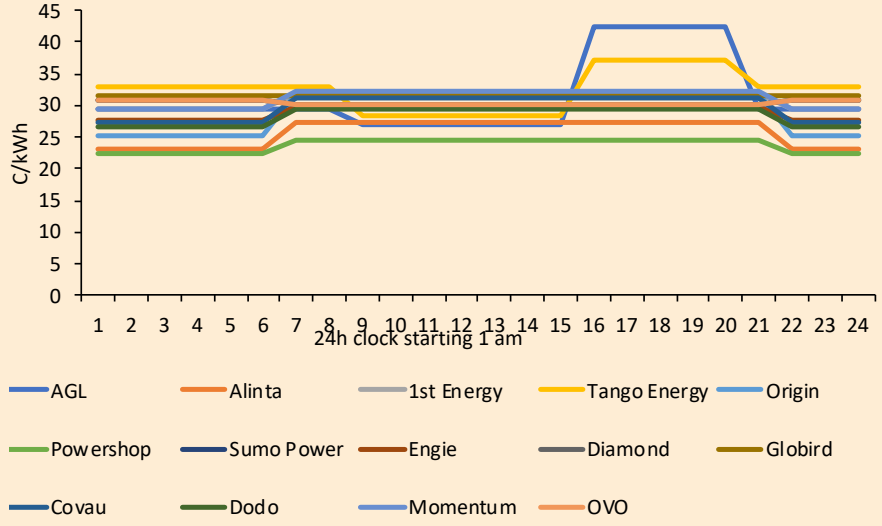
Chart 32 below shows the retailers weekday prices (c/kWh) over a 24-hour period. It shows that Powershop has the lowest night rate while Tango Energy has the highest, Powershop also has the lowest day rate (off-peak) while Momentum has the highest and that Alinta has the lowest evening rates (peak) while Engie has the highest.

CHART 32 |
Retailers' weekday TOU pricing in the Energex network, post July 2024, c/kWh, including GST



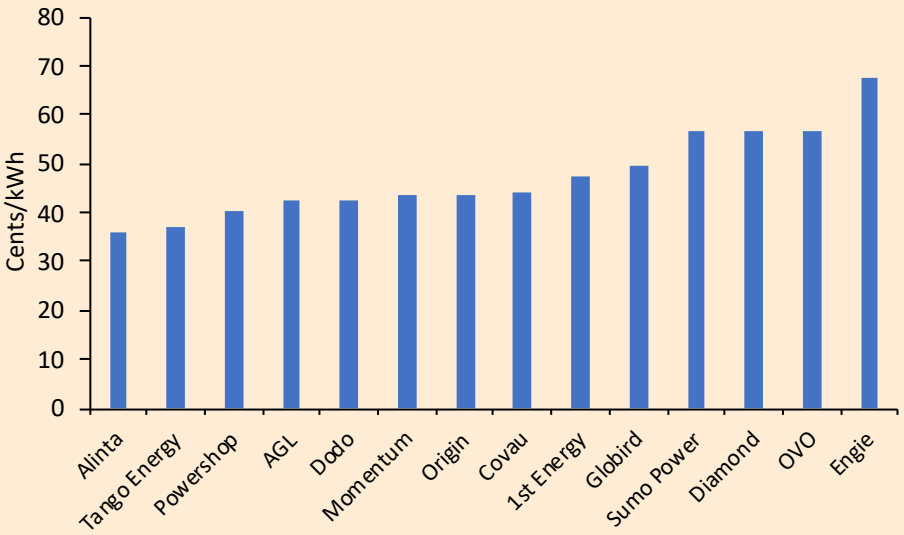
On weekends, Tango Energy has the highest night rate (shoulder) while Powershop has the lowest. Momentum Energy has the highest day rate (off-peak) while Powershop has the lowest. AGL and Tango Energy apply a three rate tariff to their weekend rates. See chart 33.

CHART 33 |
Retailers' weekend TOU pricing in the Energex network, post July 2024, c/kWh, including GST



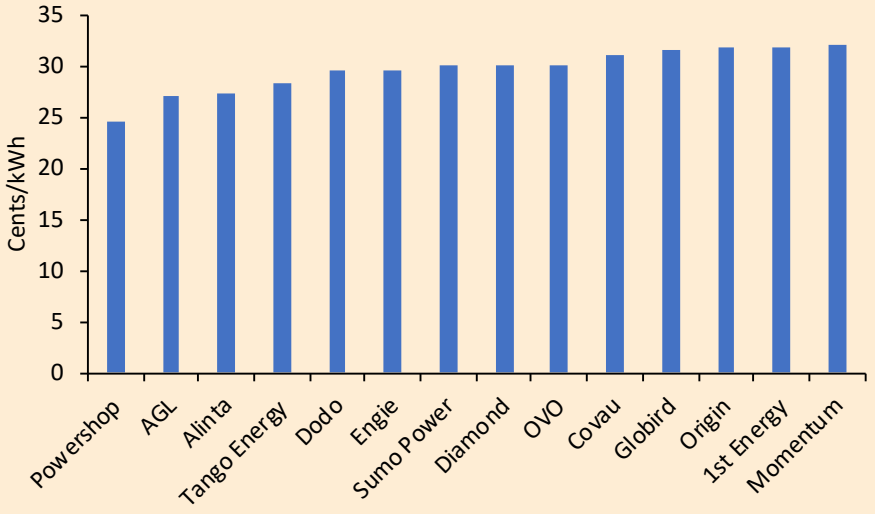
The difference between the retail tariffs is greatest at peak times (evening) when Engie charges over 31 c/kWh more than Alinta. See chart 34.

CHART 34 |
Retailers' peak weekday pricing (evening) in the Energex network, post July 2024, c/kWh, including GST



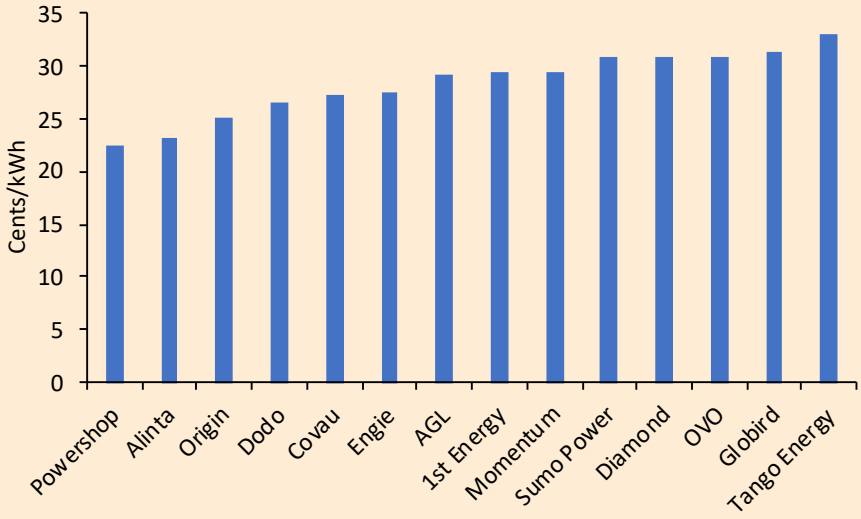
The difference between the retail tariffs during the middle of the day (off-peak rate) is less significant with Momentum charging almost 8 c/kWh more than Powershop. See chart 35.

CHART 35 |
Retailers' mid-day weekday pricing (off-peak) in the Energex network, post July 2024, c/kWh, including GST



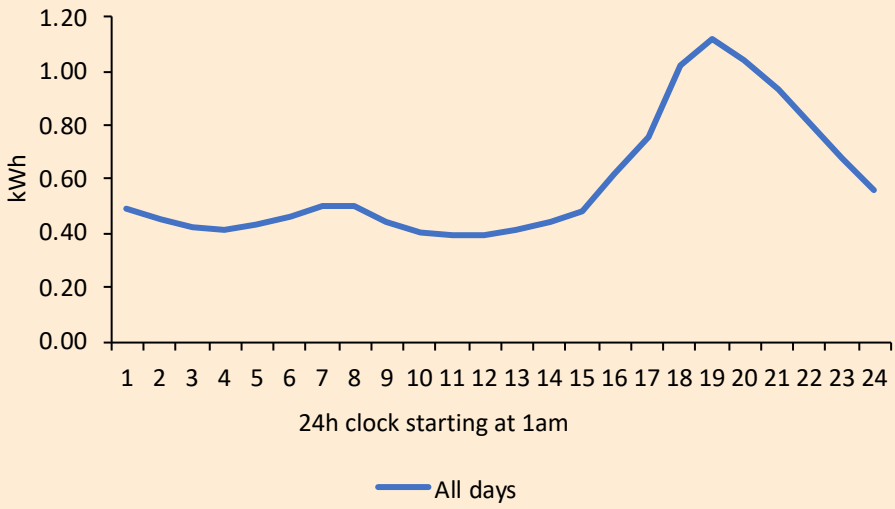
During off-peak times (nights) the difference is slightly greater with Powershop charging almost 11 c/kWh less than Tango Energy. See chart 36.

CHART 36 |
Retailers' night weekday pricing (shoulder) in the Energex network, post July 2024, c/kWh, including GST



A sample of customers' load profiles, collated and provided by the Energex network, shows that **households typically use the most in the evenings and the least during the night and day.** Chart 37 below shows the average consumption profile for households in the Energex network (solar and non-solar households).

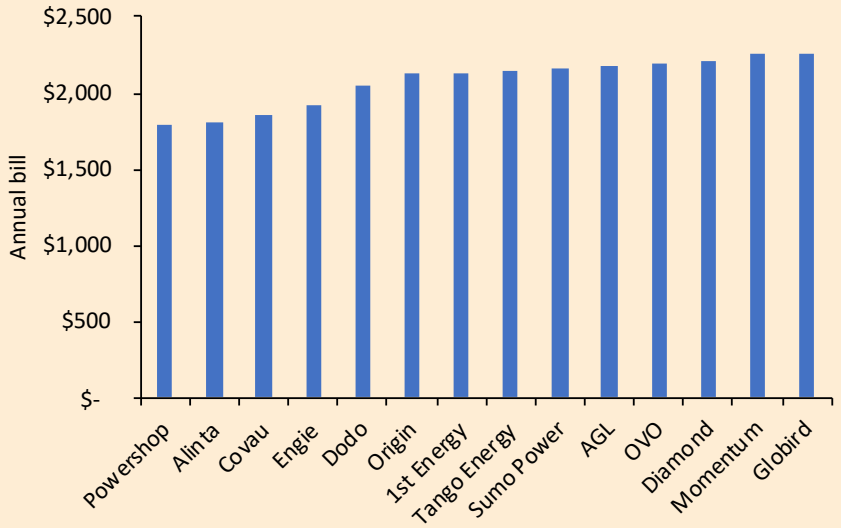
CHART 37 |
Residential load profile in Energex network



A comparison of annual bills for TOU customers shows that the price-spread, the maximum difference, between annual retail bills is around $470 for households using 5,174 kWh per annum.[55] Chart 38 below shows that households with an average consumption level and usage pattern would be worst off on Globird's TOU offer and best off on Powershop's offer.

55 This consumption level is based on a sample of customers' average consumption (solar and non-solar households) in the Energex Network. The load profile used is the average load profile for solar and non-solar households discussed above.

CHART 38 |
Retailers' TOU offers post July 2024 in the Energex network, as annual bills (incl GST and guaranteed discounts) for households using 5,174 kWh per annum



Using the same annual consumption and consumption profile outlined above, six out of fourteen retail offers produce a higher annual bill for household on the TOU tariff compared to the same retailer's single rate tariff. **In the case of OVO, Sumo and Dodo, households would be significantly worse off on the TOU tariff compared to the single rate. For the other retailers the difference to the annual bill is minimal.** That said, it is again crucial that consumers are able to identify the retailer that has the best offer for their consumption profile. A household with this profile on the worst single rate offer would be $460 better off on the best TOU offer. Conversely, a household on the worst TOU offer would be $525 better off on the best single rate offer. See chart 39.

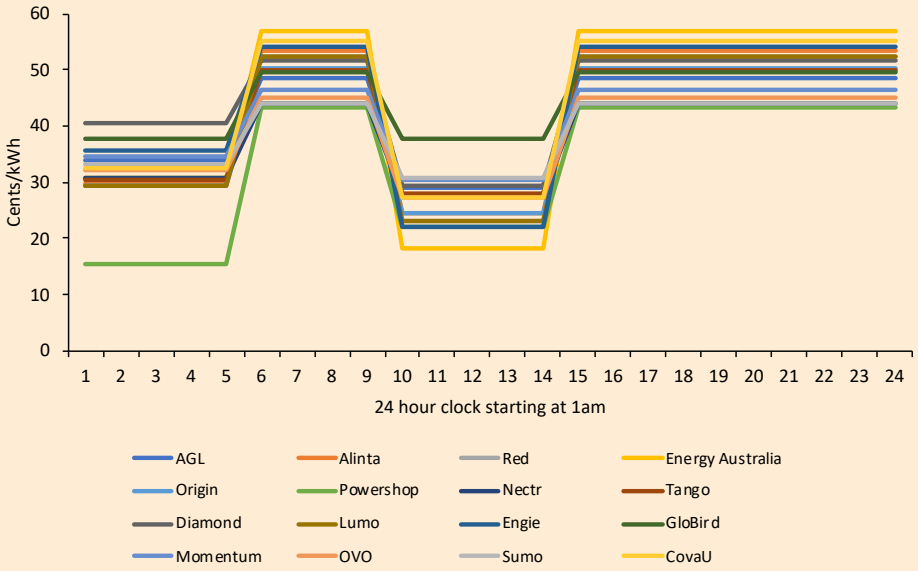
CHART 39 |
Retailers' TOU offers compared to single rate offers post July 2024 in the Energex network, as annual bills (incl GST and guaranteed discounts) for households using 5,174 kWh per annum

4.3 South Australia

In South Australia, all the retailers follow the shape of SA Power Networks' default residential TOU tariff. This tariff is non-seasonal and applies 7 days a week. **The least expensive timeslot is typically between 10am and 3pm, referred to as the "solar sponge". Mornings (between 6am and 10am) and evenings (between 3pm and 1am) are peak times. During the night (1am to 6am) the shoulder rate applies,** and this rate is typically higher than the "solar sponge" rate. One retailer (Powershop), however, applies a lower rate to the night-time period than they do to the mid-day period, while Globird uses the same rate at nighttime as they do during the mid-day period, effectively offering a two-rate tariff.

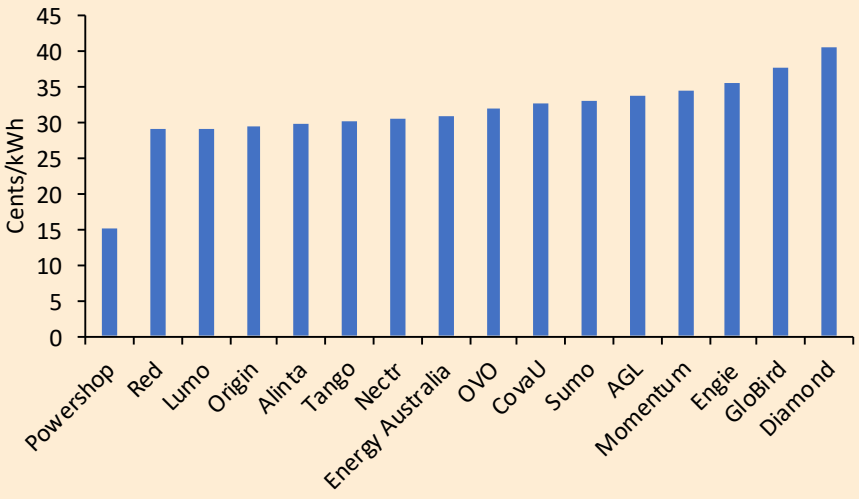
Chart 40 below shows the retailers prices (c/kWh) over a 24-hour period. It shows that Powershop has the lowest night rate while Diamond Energy has the highest, Energy Australia has the lowest mid-day rate ("solar sponge") while GloBird has the highest, and that Powershop has the lowest peak rates while Energy Australia has the highest.

CHART 40 | Retailers' TOU pricing in SA Power Networks, post July 2024, c/kWh, including GST



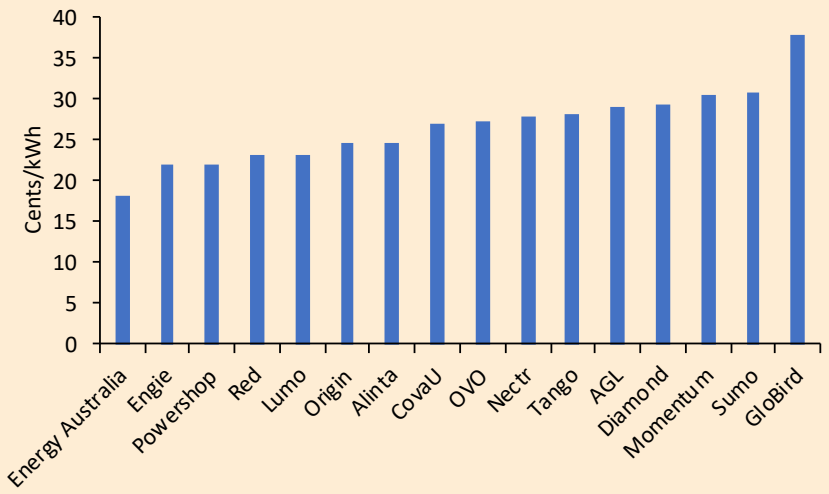
The difference between the retail tariffs is greatest at night-time when Diamond Energy charges over 25 c/kWh more than Powershop. See chart 41.

CHART 41 | Retailers' night-time pricing in SA Power Networks, post July 2024, c/kWh, including GST



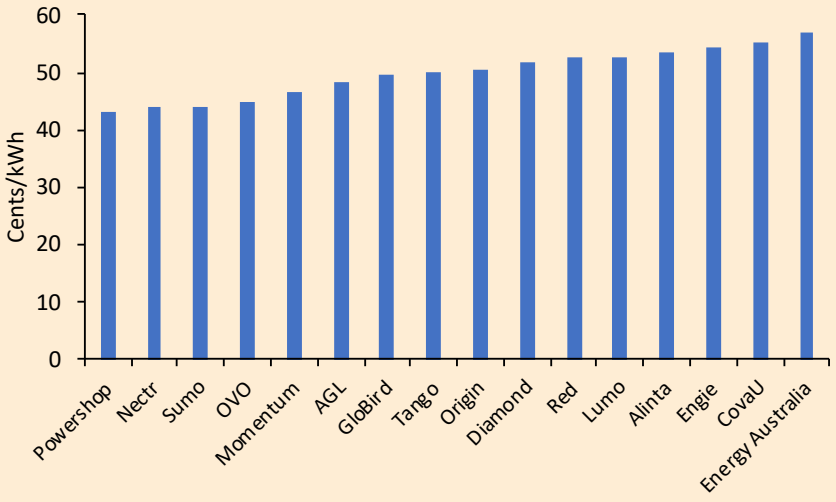
The difference between the retail tariffs during the middle of the day (the "solar sponge") is also significant as GloBird charges over 19 c/kWh more than Energy Australia. See chart 42.

CHART 42 |
Retailers' mid-day ("solar sponge") pricing in SA Power Networks, post July 2024, c/kWh, including GST



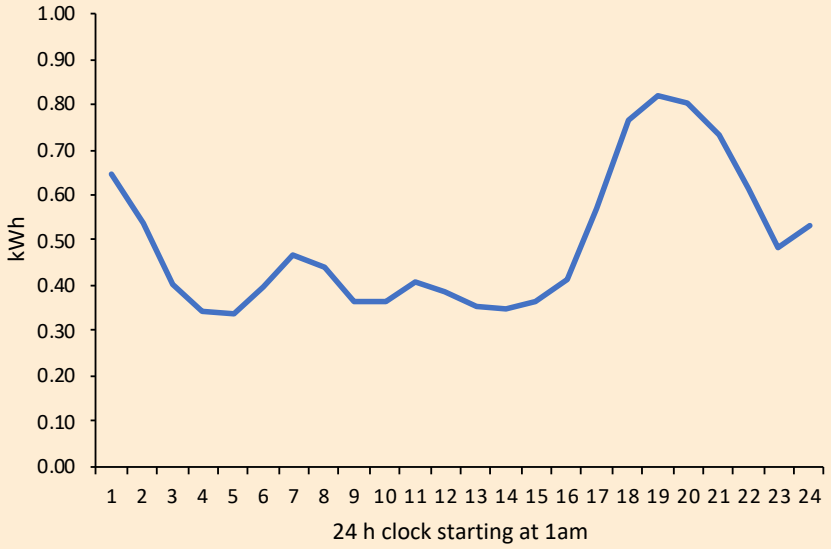
During peak times (mornings and evenings) the difference is somewhat less with Powershop charging just under 14 c/kWh less than Energy Australia. See chart 43.

CHART 43 |
Retailers' peak pricing (morning and evenings) in SA Power Networks, post July 2024, c/kWh, including GST



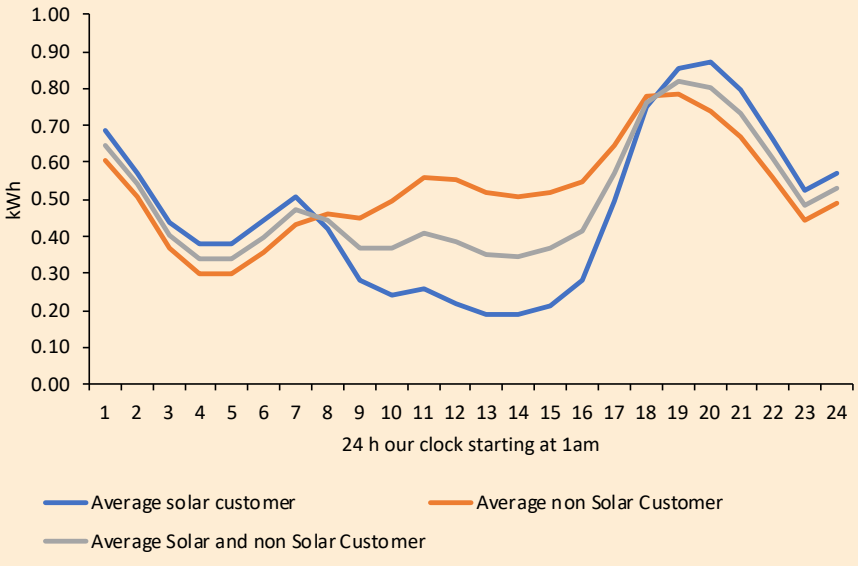
A sample of customers' load profiles, collated and provided by SA Power Networks, shows that **households typically use more energy in the evening and at night compared to the middle of the day.** Chart 44 below shows the average consumption profile for households in South Australia (solar and non-solar households).

CHART 44 |
Residential load profile in SA Power Networks



It is worth noting, however, that **this very low mid-day usage of imported energy is driven by the self-generated consumption in solar households.** Chart 45 below shows the significant difference in daytime consumption (of imported electricity) between solar households and non-solar households.

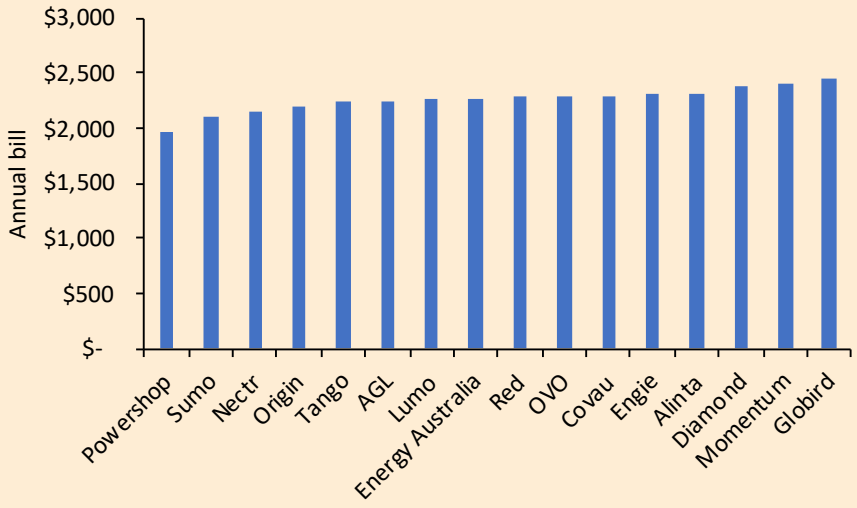
CHART 45 |
Residential load profiles for solar, non-solar as well as solar and non-solar households in SA Power Networks



A comparison of annual bills for TOU customers shows that the price-spread, the maximum difference, between annual retail bills is around $470 for households using 4,345 kWh per annum.[56] Chart 46 below shows that households with average consumption level and usage pattern would be worst off on GloBird's TOU offer and best off on Powershop's offer.

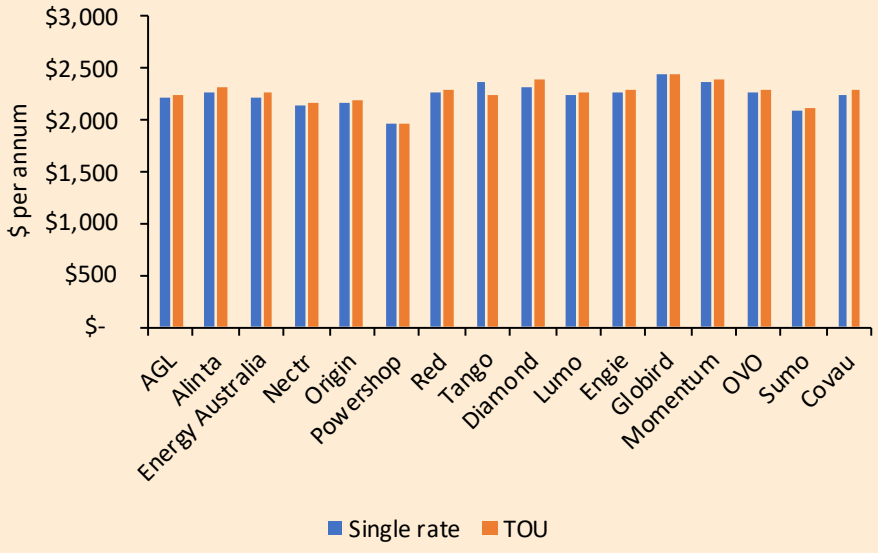
56 This consumption level is based on a sample of customers' average consumption (solar and non-solar households) in the SA Power Networks. The load profile used is the average load profile for solar and non-solar households discussed above.

CHART 46 |
Retailers' TOU offers post July 2024 in the SA Power Networks, as annual bills (incl GST and guaranteed discounts) for households using 4,345 kWh per annum



Using the same annual consumption and consumption profile outlined above, **most retailers' offers produce a greater annual bill for households on the TOU tariff compared to the same retailer's single rate tariff.** Tango Energy is the exception, where the annual bill for the TOU offer would be almost $120 less than the annual bill on the single rate tariff. **That said, the difference to the annual bill between the two tariffs are in many cases very low.** Powershop's difference is zero, OVO and Sumo's is $11, and Nectr's is $19. Diamond Energy's bills produce the greatest difference where the TOU tariff would cost a household around $60 more per annum compared to the single rate offer. **If a household switched from GloBird's single rate offer to Powershop's TOU offer, however, they could save around $460 per annum.** See chart 47.

CHART 47 |
Retailers' TOU offers compared to single rate offers post July 2024 in the SA Power Networks, as annual bills (incl GST and guaranteed discounts) for households using 4,345 kWh per annum



4.4 TOU pricing and complementary measures

While we understand that TOU tariffs can be confusing for consumers, we also believe there is merit in continuing to pursue more cost reflective tariffs. The above analysis shows that households with an average consumption profile can currently be better off on the right TOU tariff compared to a flat rate tariff. However, we acknowledge the current reality is different for many consumers that have been moved over to cost reflective tariffs.

Firstly, we have found that a household with the same average consumption level but a slightly different load profile in the Ausgrid network would make the TOU offer more expensive than the single rate offers if the household did not switch retailer.[57] Secondly, households must be readily able to identify the TOU offers that are likely to suit their typical load profile. Thirdly, cost reflective tariffs can become overly engineered and complicated resulting in a reduced capacity for households to shift consumption away from peak times as well as overly convoluted messaging. Finally, seasonal variations may make it more difficult for households on fixed and lower incomes to afford peak season bills.

However, we also do not believe that it is the role of cost reflective tariffs to make every household better off. **The purpose of cost reflective tariffs is to reallocate costs from an increasing uptake of Consumer Energy Resources and to make the overall system more efficient – not to reduce the cost of electricity for every household.** We therefore need to utilise other tools and measures to empower households that want to reduce their costs and to help those that would face affordability issues.

These complementary tools and measures firstly include, **adequate funding of the Australian Energy Regulator's Energy Made Easy comparison website** to ensure that households can be confident that they receive up to date and correct information about the retailers and plans that best suit their consumption profiles.[58] Secondly, public information campaigns to educate consumers about the shift that has taken place. **Just like consumers used to be aware that nighttime electricity was cheapest, consumers should now be aware that daytime electricity is cheapest, nighttime is your second-best option and evenings are most expensive.** Thirdly, utilising the **consumer protection framework to ensure that bill smoothing, or similar measures, are available to households that are financially sensitive to seasonal variations.** Fourth, and finally, **actively use the concessions framework to lower bills for households that due to various circumstances are unable to reduce and/or shift consumption** and are subsequently unable to afford the electricity they require.[59]

57 See New South Wales Energy Prices 2024 - An update report on the NSW Tariff-Tracking Project, A report by Alviss Consulting for the St Vincent de Paul Society, September 2024

58 Ibid. The September 2024 NSW Tariff-Tracking report found that the Energy Made Easy website' presentation of the various TOU retail offers available to households in NSW is complex and confusing.

59 For example, an additional peak rate concession may be a suitable measure for some concession recipients.