



Queensland Energy Prices July 2022

An update report on the
Queensland Tariff-Tracking Project



St Vincent de Paul Society
good works

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An Update Report on the Queensland Tariff-Tracking Project

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Disclaimer

The energy offers, tariffs and bill calculations presented in this report 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 report and the workbooks is not provided as financial advice. While we have taken great care to ensure accuracy of the information provided in this report 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 report 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 AER's 'Energy Made Easy' website or contact the energy retailers directly.

Acknowledgements

This project was funded by Energy Consumers Australia (www.energyconsumersaustralia.com.au) as part of its grants process for consumer advocacy projects and research projects for the benefit of consumers of electricity and natural gas.

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

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The Queensland Tariff-Tracking Project

This project has tracked electricity and gas tariffs in Queensland from July 2009 to July 2022 and developed a spreadsheet-based tool that allows consumer advocates to build on the initial analysis and continue to track changes as they occur. The first report for the Queensland Tariff-Tracking project was published in August 2012 and this is the tenth up-date report focusing on price changes that have occurred over the last year.

We have developed workbooks that allow the user to enter consumption levels and analyse household bills for regulated gas and electricity offers from July 2009 to July 2016, as well as published electricity and gas market offers post the price resets in July 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022.¹ A recent addition to the Tariff-Tracking project is market offers available to new solar customers. The workbook allows users to calculate annual bills based on retailers' rates, feed in tariffs offered and additional discounts. Again, the user can enter consumption level as well as choosing to run the bill calculation based on 1.5 kW or 3 kW solar systems.

Workbook 1: Standing/Regulated electricity offers July 2009-July 2022

Workbook 2: Standard gas retail offers July 2009-July 2022²

Workbook 3: Electricity market offers July 2012 - July 2022

Workbook 4: Gas market offers post July 2012 - July 2022

Workbook 5: Solar market offers post July 2016 - July 2022

The jurisdictional update reports will be followed by a NEM comparison report that discusses market issues and customer impacts in more detail as well as making recommendations.

All workbooks and reports can be accessed at the St Vincent de Paul Society's website: www.vinnies.org.au/energy

1. All market offers are published offers and do not include special offers that retailers' market through door-knocking campaigns or brokers. We use the retailers' own websites to collect market offer for the Queensland Tariff-Tracking tool. If the retailer has more than one market offer we use the offer that produces the lowest annual bill and/or the offer the retailer promotes as it's best offer. Prior to July 2016, the Tariff-Tracking tool does not include any additional discounts or bonuses but key market offer features are listed in the spreadsheets. This report contains analysis of some of those features.

2. Note: Queensland does not have regulated gas offers.

Key findings

In terms of general trends, the tariff analysis has found that:

- ▲ The **Default Market Offer (DMO) bill increased by 11.3% for single rate and 12.5% for controlled load** (Tariff 31) on 1 July 2022.³ **See charts 1 and 2 in section 1.**
- ▲ **Annual electricity bills for all-electric households** using 8,000 kWh per annum on the DMO (tariff 11) have typically **increased by around \$275 (or 12%)** since last year. **See chart 3.**
- ▲ For customers on the **Time of Use tariff (tariff 12), the annual bill has typically increased by \$280 (or 13%).**⁴ **See chart 3.**
- ▲ Due to the sharp increase in wholesale prices in recent months, many retailers have actively encouraged customers to leave or ceased offering market offers all together. Retailers are, however, obliged to offer customers a standing offer based on the regulated DMO. That said, **the DMO is based on a set consumption level and the standing offer prices can therefore vary significantly for customers with higher consumption. The maximum price spread (difference between best and worst retail offer) is currently \$1,950 per annum for households using 8,000 kWh per annum.** **See chart 4.**
- ▲ **Gas bills have increased by 5% to 11%** (depending on the gas pricing zone) between July 2021 and July 2022.⁵ **See chart 5, 6 and 7.**
- ▲ The **average annual electricity bill** (all retailers) **for households using 8,000 kWh per annum is currently around \$2,630 for DMO/standing offer customers and \$2,800 for market offer customers** (including additional discounts). The average market offer bill is greater than the average standing offer bill because of two retailers having significantly higher market offer prices compared to standing offer prices. **See chart 9 in section 2.1.**
- ▲ Compared to last year (July 2021), **the average electricity market offer** (inclusive of additional) **has increased by \$855 or 44%.** **See section 2.1.**
- ▲ A household switching from Origin or AGL's standing offer (Tariff 11) to the best electricity market offer may save between \$470 and \$485 per annum. **See section 2.1.**
- ▲ The difference between market offers is more significant. **The difference between the best and the worst market offers is between \$3,645 and \$3,760** (depending on tariff type).⁶ Red Energy is the retailer that currently have the best market offer for single rate customers (Tariff 11).⁷ **See charts 10-13 in section 2.1.**
- ▲ Since the introduction of the DMO, many electricity retailers have moved away from pay on time discounts to offer guaranteed discount or no discount at all. Currently, Diamond Energy is the only retailer that offers a discount. **See section 2.1.**
- ▲ The **average gas market offer** (inclusive of additional discounts) has **increased by \$100 (14%)** since July 2021.⁸ The average gas market offer is currently around \$835 for households consuming 10,000KJ per annum.⁹ **See Section 2.2.**
- ▲ **The difference between the best and the worst gas market offers** (including additional discounts) **is between \$245 and \$255** (depending on the gas zone).¹⁰ **See Section 2.2.**

3. These bill calculations are based on the consumption levels used by the AER to set the DMO.

4. These calculations are based AGL and Origin's standing offers for households using 8,000kWh per annum and 20% peak/55% shoulder/25% off-peak.

5. These calculations are based the average standard gas offer for households using 10,000MJ per annum.

6. These calculations are based the market offers for households using 8,000kWh per annum. Thereof 15% off-peak for customers on tariff 31 or 33 and 20% peak/55% shoulder/25% off-peak for tariff 12.

7. These calculations are based the market offers for households using 8,000kWh per annum

8. Based on households using 10,000MJ per annum.

9. Average based on all retailers in the Brisbane North and Brisbane South pricing zones.

10. These calculations are based the market offers for households using 10,000MJ per annum.

- ▲ When the DMO took effect in July 2019, AGL, Origin Energy and Energy Australia offered guaranteed discounts of between 6 and 11%. As of July 2021, only Energy Australia offered additional discounts (a guaranteed discount of 14% off the bill) but currently (July 2022) none of them have offers with additional discounts. This means that **while base rates have either decreased or moderately increased over this period, some customers that used to receive high additional discounts now have higher bills than they did in July 2019.** See section 3.
- ▲ Most retailers apply higher fixed supply charges to their DMOs than their market offers, while some (Diamond Energy and Simply Energy) apply the same supply charge to DMOs and market offers. Two retailers (Energy Australia and ReAmped Energy) apply higher supply charges to their market offer than they do to the DMO. See chart 20 in section 4.
- ▲ The average residential gas consumption in Queensland is relatively low and as such the supply charges comprise a significant proportion of the annual gas bill.¹¹ For households consuming 10,000MJ per annum in the **APT gas zone, the supply charge makes up 55% of the annual bill**, depending on the retailer. In the **Envestra/AGN zone (Brisbane North), the supply charge makes up 35% of the annual bill** (for the same consumption level). See section 4.
- ▲ The Network Use of System (NUOS) charges declined between July 2014 and July 2018 before slight increases in July 2019, 2020, and 2021. In 2022 the NUOS decreased while the overall retail bill increased, **the NUOS proportion of bills has therefore decreased from 39% in July 2021 to 31% in July 2022.**¹² See chart 22 in section 5.1.
- ▲ In relation to gas, the **Distribution Use of System (DUOS) proportion of bills decreased in July 2022** as the average retail bill increased more than the DUOS. **The DUOS proportion of gas retail bills is currently 48% in Envestra/AGN North and 46% in APT Allgas.** See charts 24 and 25 in section 5.2.
- ▲ Four retailers (ReAmped Energy, AGL, Origin Energy and Diamond Energy) reduced their FIT rates in July 2022. Others, like Amber Electric, Kogan, Powershop and Sumo Power have not changed their FIT rates since last year. The remaining five retailers have either increased the FIT or introduced new solar specific products that have a greater FIT rate compared to last year. As of July 2022, the average FIT rate is 6.4 c/kWh compared to 7.8 c/kWh one year ago (July 2021).¹³ See section 6.
- ▲ Compared to last year, **the average market offer for solar customers (3 kW systems) has increased by \$585 or approximately 44%.**¹⁴ See section 6.
- ▲ **The average annual bill is approximately \$1,900 for households with 3 kW systems installed.** This means that **the average annual bill is \$900 less for solar households compared to non-solar households.** See section 6.
- ▲ The comparison of market offers available to new solar customers shows that there are significant differences between the bills the retailers' offers produce. **Brisbane solar customers with a typical consumption and a 3 kW system installed, may save \$2,685 per annum if switching from the worst market offer (GloBird) to the best (Red Energy).**¹⁵ See figure 4 in section 6.

11. We have assumed typical residential annual gas consumption in Queensland to be 10,000MJ per annum while in Victoria, for example, we base it on 63,000MJ.

12. Based on AGL and Origin's standing offers (average) as of July 2022. Presented as annual bills for households using 8,000kWh per annum (flat rate).

13. Note that the averages are based on fewer retailers in July 2022 compared to July 2021

14. Based on electricity offers post July 2022 as annual bills, Tariff 11, 8,000kWh, bills including discounts and FIT credits for Brisbane customers with 3 kW solar systems.

15. Ibid.

1. Energy price changes from July 2021 to July 2022

On 1 July 2019, the Australian Energy Regulator’s (AER) initial Default Market Offer (DMO) took effect in South East Queensland. The DMO replaced the previously retailer-set standing offers. The AER’s 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”.¹⁶ The Regulations stipulate that retailers must structure their prices to not exceed the annual DMO price for that consumption level.¹⁷ In both July 2020 and July 2021, the price of the DMO decreased while it increased significantly in July 2022.

The DMO prices for single rate and controlled load tariffs in Queensland are listed in Table 1 below.

TABLE 1 | Residential DMO prices in QLD for 2021-22 (including GST)¹⁸

Energex	
SINGLE / FLAT RATE	
Annual bill	\$1,620
Consumption level	4,600 kWh/annum
CONTROLLED LOAD[^]	
Annual bill	\$1,961
Consumption level	6,300 kWh/annum

[^]Approximately 30% of the annual consumption is allocated to the controlled load tariff.

Charts 1 and 2 below show changes to annual bills from July 2021 to July 2022 for households on the DMO (single rate and controlled load) in the Energex network. These bill calculations are based on the consumption levels used by the AER to set the DMO (see Table 1 above).

Chart 1 shows that the current DMO, for customers on the single rate, produces an annual bill that is \$165 more (11.3%) than the DMO for 2021/22.



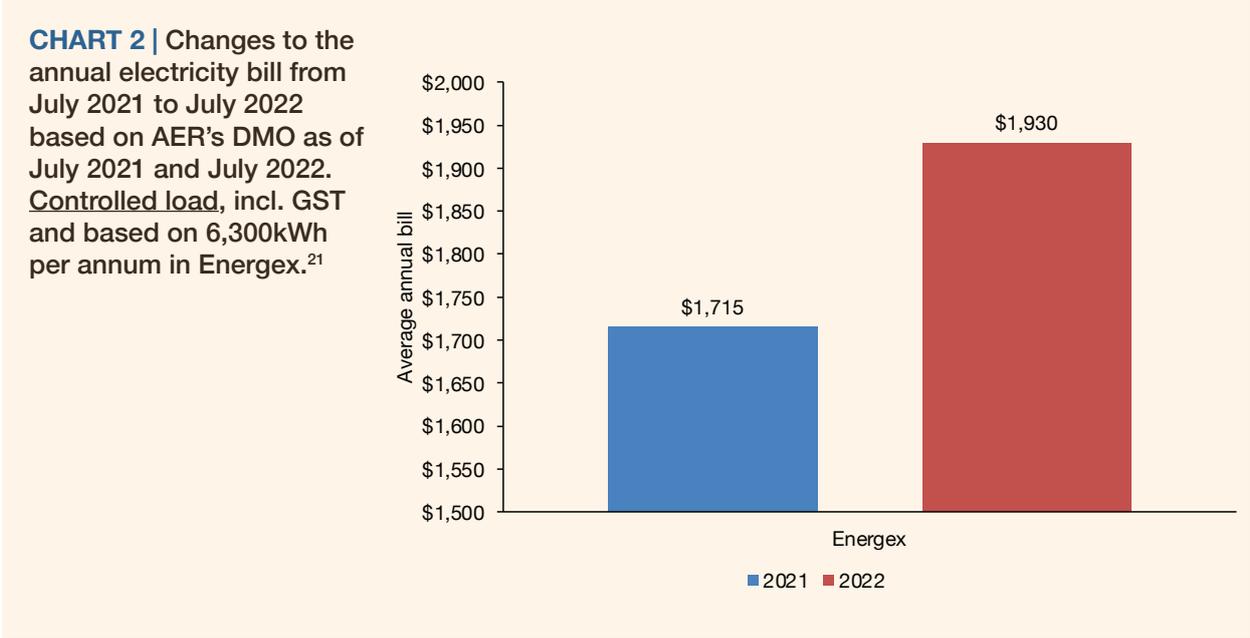
16. AER, Default Market Offer Prices 2020-21, Final Determination, April 2020, 9

17. Ibid., 9

18. AER, Default Market Offer Prices 2022-23, Final Determination, May 2022, 7. Note that AER does not state to which controlled load tariff (31 or 33) these residential DMO prices apply to.

19. Annual bill calculations based on AGL and Origin Energy’s average DMO

For controlled load tariffs, Chart 2 shows that the current DMO in Energex produces an annual bill that is \$215 more (12.5%) than the DMO for 2021/22.²⁰



In response to these increases the Queensland Government announced a \$175 “Cost of Living Rebate” credited to residential electricity accounts.²² As such, Queensland households have not yet experienced the full impact of these price increases.

As the Tariff-Tracking project aims to monitor and assess changes to energy prices over time, the remaining analysis presented in this report will be based on the consumption levels previous Tariff-Tracking reports have used for Queensland. That is 8,000 kWh per annum for electricity customers and 10,000 MJ per annum for households with gas.

Chart 3 shows changes to the host retailers’ annual DMO/standing offer bills from July 2021 to July 2022 for average consumption households in the Energex network. It shows that the average annual bill has increased for all four tariff types. For Tariff 11, the average annual bill has increased by approximately \$275 (12%). Table 2 below shows the increases to annual bills by tariff type.

20. Note that our calculation is based on controlled load tariff 31 and the annual bill would be slightly higher for controlled load tariff 33.
 21. Annual bill calculations based on AGL and Origin Energy’s average DMO
 22. Queensland Government, *Cost of living rebate on your next power bill*, Media Release, May 2022

CHART 3 | Changes to annual DMO/standing offer bills from July 2021 to July 2022, 8,000kWh per annum, GST inclusive²³

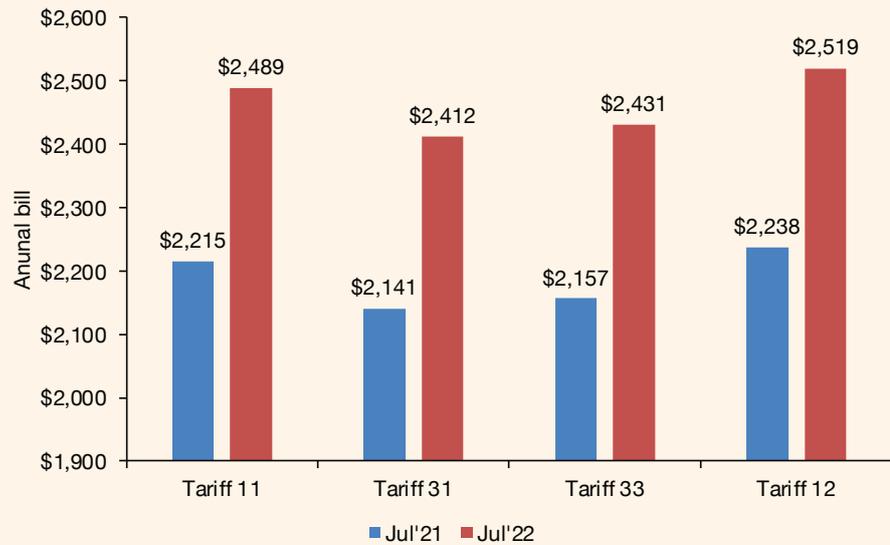


TABLE 2 | Increases to annual bills for electricity by tariff type July 2021 – July 2022²⁴

	Tariff 11	Tariff 31	Tariff 33	Tariff 12
\$ Increase	\$274	\$271	\$274	\$281
% Increase	12%	13%	13%	13%

Due to the sharp increase in wholesale prices in recent months, many retailers have actively encouraged customers to leave or ceased offering market offers all together. Retailers are, however, obliged to offer customers a standing offer based on the regulated DMO. That said, the DMO is based on a set consumption level and the standing offer prices can therefore vary significantly for customers with higher consumption.

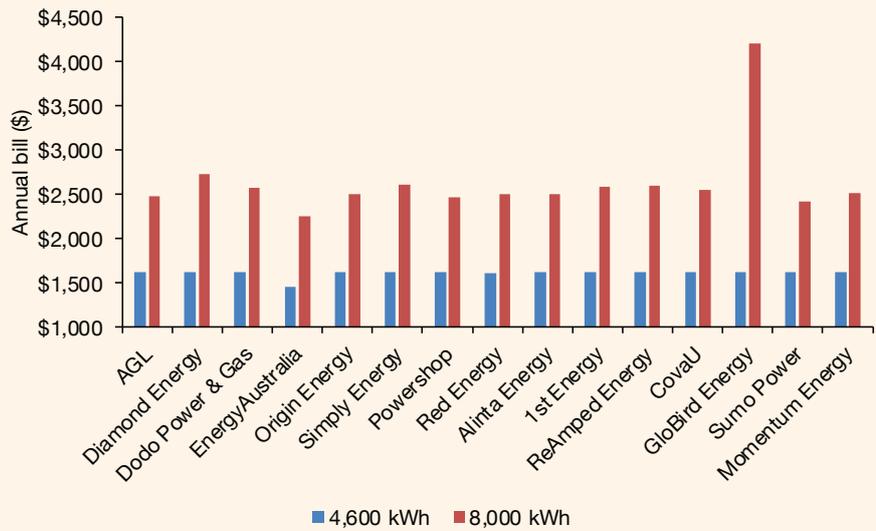
A comparison of standing offers for households using 8,000 kWh per annum (instead of the DMO consumption level of 4,600 kWh) shows that the maximum price spread is as high as \$1,950. GloBird, the retailer with the most expensive standing offer for this consumption level, manages to charge these high prices through an inclining block tariff where the first rate is 26.4 cents per kWh and the second rate is 93.5 cents per kWh. The second rate only applies to households that use more than 5,280 kWh per annum and as customers on the DMO based consumption level are below this threshold only the lower charge is applied to them.

Chart 4 shows annual bills for retailers' standing offer based on the consumption level used to set the DMO (4,600 kWh per annum) as well as bills based on an annual consumption level of 8,000 kWh.

23. Based Origin and AGL's DMO/standing offers. For Tariff 31 and 33, 15% of consumption has been allocated to off-peak rates. For Tariff 12, the allocations are: 20% peak, 55% shoulder and 25% off-peak.

24. Ibid.

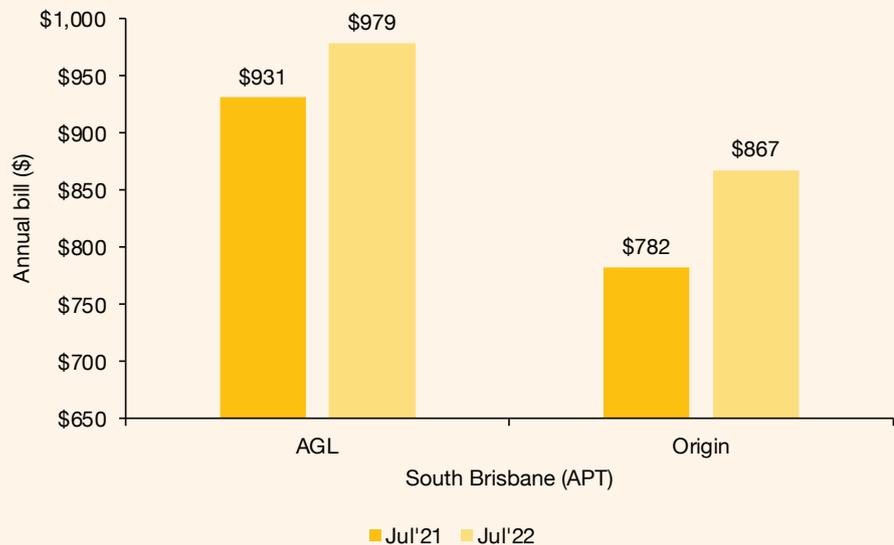
CHART 4 | Annual DMO/standing offer bills for households consuming 4,600 kWh and 8,000 kWh per annum, July 2022, single rate, GST inclusive



Gas bills have increased in all gas pricing zones between July 2021 and July 2022. Origin continues to offer the lowest gas bill in both Brisbane South while AGL and Origin’s offers produce similar bills in Brisbane North.

In the Brisbane South gas zone, AGL and Origin Energy have increased their prices by 5% and 11% respectively. See chart 5. In the Brisbane North gas zone, AGL has had a 6% price increase while Origin Energy has increased their prices by 9%. See Chart 6.

CHART 5 | Annual gas bills from July 2021 to July 2022, 10,000MJ - South Brisbane & South Queensland²⁵



25. AGL and Origin’s standard rates and customers using 10,000MJ per annum.

CHART 6 | Annual gas bills from July 2021 to July 2022, 10,000MJ - North Brisbane & Ipswich²⁶



For the other Envestra/AGN pricing zones, annual bills have increased by around \$65 (8%) for the Northern retail area and by \$50 (8%) for the Wide Bay area. See Chart 7.

CHART 7 | Annual gas bills as of July 2021 and July 2022, 10,000MJ – Origin’s rates in the Northern retail area and Wide Bay²⁷

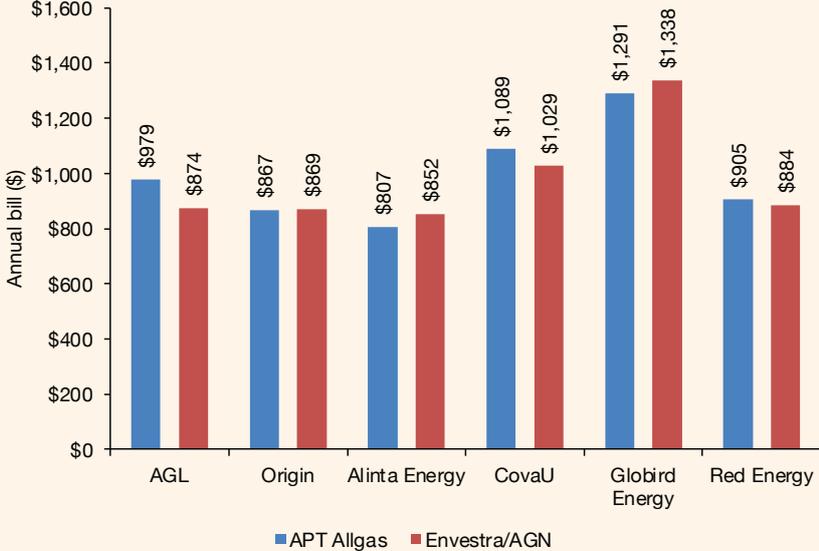


While the majority of customers are with AGL and Origin Energy, four additional retailers (Alinta, Covau, GloBird and Red Energy) also offer gas to residential customers. Chart 8 shows annual gas standing offer bills for all retailers in the Envestra/AGN North (Brisbane North) and APT Allgas (Brisbane South) areas. It shows that GloBird’s standing offers produce the highest bills while Alinta has the lowest in both gas zones.

26. AGL and Origin’s standard rates and customers using 10,000MJ per annum.

27. The Northern retail area covers Rockhampton and Gladstone and the Wide Bay area covers Bundaberg, Maryborough and Hervey Bay. Origin is the only retailer with offers for residential customers in these areas. Bill estimates based on customers using 10,000MJ per annum.

CHART 8 | Annual standing offer gas bills as of July 2022, 10,000MJ – All retailers in the AGN North and APT Allgas retail areas

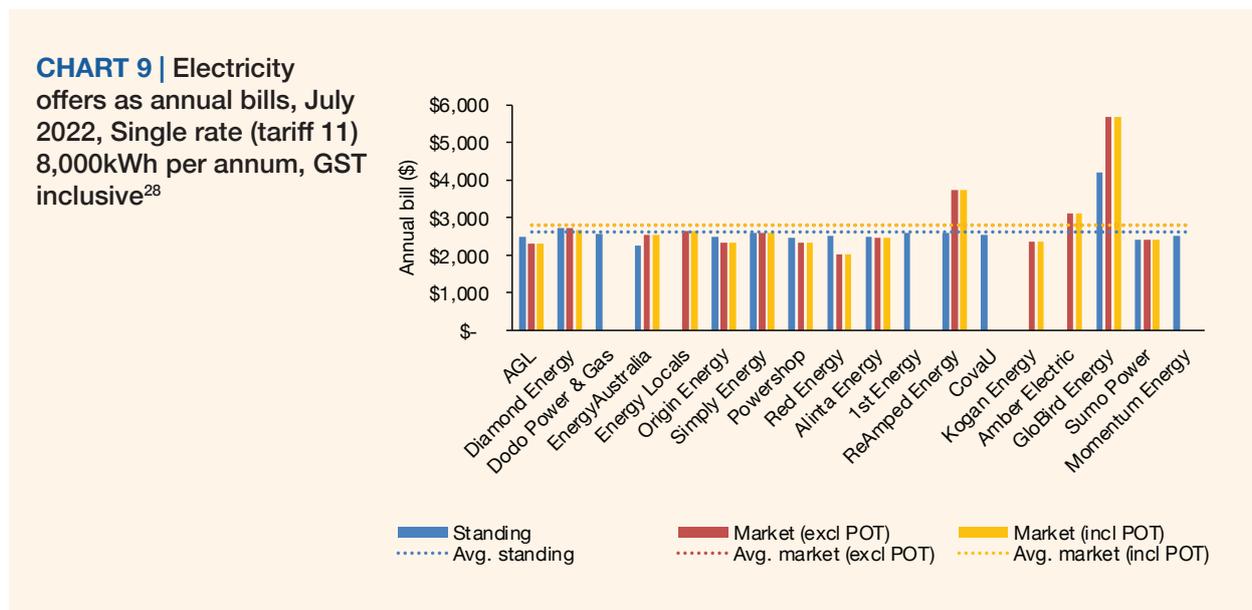


2. Market offers post July 2022

2.1 Electricity market offers post July 2022

Chart 9 below shows that the average annual bill for households using 8,000kWh per annum is around \$2,630 for standing offer customers and \$2,800 for market offer customers (including additional discounts). The average market offer bill is greater than the average standing offer bill because of two retailers having significantly higher market offer prices compared to standing offer prices. Since the introduction of the DMO in July 2019, many retailers have moved away from pay on time discounts to offer guaranteed discounts or no discount at all, and this trend has intensified in July 2022.

Compared to last year (July 2021), the average market offer (inclusive of additional discounts) has increased by \$855 or around 44%.



Market offers often include features such as discounts on consumption rates, vouchers, sign-up credits, loyalty bonuses and discounts if bills are paid on time or paid by direct debit. Consumers assessing market offers should take these additional features into account and be aware of contract conditions such as late payment fees, the length of the contract and fees for exiting the contract early.

Charts 10 - 13 below show the difference in annual bills between retailers' standing offers and market offers based on guaranteed discounts (if any), as well as market offers including pay on time discounts (if any) for tariff 11, tariff 31, tariff 33 and tariff 12. Tariff 11 customers on AGL and Origin's standing offers can save between \$470 and \$485 by switching to the best market offer (Red Energy). If the same standing offer customers switched to GloBird Energy, however, they would be around \$3,200 worse off.

The maximum difference, or price spread, between annual bills for market offers (including additional discounts) is approximately \$3,675 for tariff 11, \$3,645 for tariff 31, \$1,715 for tariff 33, and \$3,760 for tariff 12.²⁹ Furthermore, the charts show that three retailers (Energy Australia, ReAmped Energy and GloBird) have market offers that produce higher bills than their standing offers.

28. The retail offers were collected from the retailers' websites between the 11th and the 19th of July 2022 and it must be noted that retailers may change their rates at any time. Annual bill calculations shown as green columns include guaranteed discounts and pay on time discounts. Note that some retailers currently only publish standing offers while others only have published market offer.

29. The lower maximum price-spread for tariff 33 is because GloBird does not have a published market offer for this tariff type.

CHART 10 | Tariff 11: Annual bills based on guaranteed discounts vs. pay on time discounts as of July 2022 (8,000kWh per annum, including GST).³⁰



CHART 11 | Tariff 31: Annual bills based on guaranteed discounts vs. pay on time discounts as of July 2022 (8,000kWh per annum, 15% off-peak, including GST).³¹

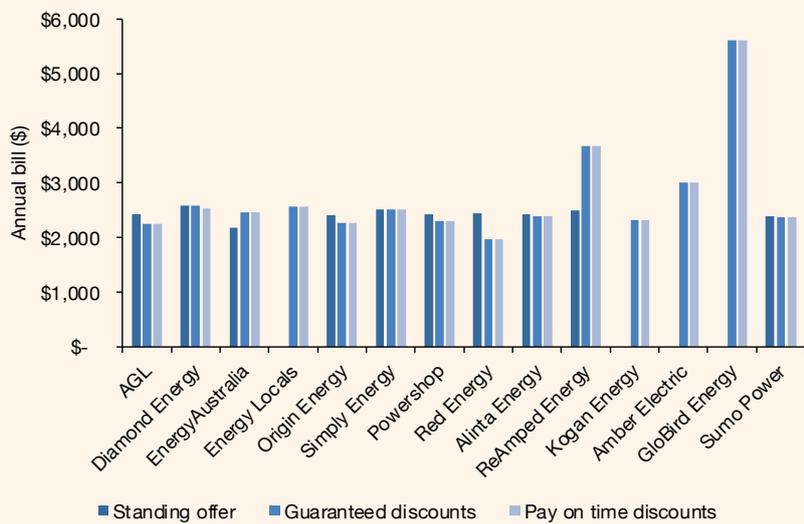


CHART 12 | Tariff 33: Annual bills based on guaranteed discounts vs. pay on time discounts as of July 2022 (8,000kWh per annum, 15% off-peak, including GST).³²



30. This chart only includes retailers that have published standing market offers as of July 2022.

31. This chart only includes retailers that have published standing market offers as of July 2022.

32. This chart only includes retailers that have published standing market offers as of July 2022.

CHART 13 | Tariff 12: Annual bills based on guaranteed discounts vs. pay on time discounts as of July 2022 (8,000kWh per annum, 20% peak, 55% shoulder and 25% off-peak, including GST).



Figure 1 below shows estimated annual bills for market offers post discounts ranked from the lowest annual bill to the highest (for Tariff 11).³³

FIGURE 1 | Lowest to highest annual bills (incl GST) for market offers post July 2022, including discounts and pay on time discounts - Households consuming 8,000kWh per annum (Tariff 11)

	Red Energy	\$2,011		Sumo Power	\$2,416		Diamond Energy	\$2,675
	AGL	\$2,307		Alinta Energy	\$2,449		Amber Electric	\$3,105
	Origin Energy	\$2,321		EnergyAustralia	\$2,536		ReAmped Energy	\$3,741
	Powershop	\$2,333		Simply Energy	\$2,604		GloBird Energy	\$5,683
	Kogan Energy	\$2,365		Energy Locals	\$2,644			

The discounts (including pay on time discounts) used to estimate annual bills for Charts 10-13, as well as Figure 1, above are shown in table 3 below. Table 3 also shows other contract terms and features, such as early termination fees, associated with these market offers. Some of the retailers have multiple market offers and may offer higher discounts than those listed here. However, if discounts are higher they are typically tied to other conditions such as payment by direct debit, e-billing or dual fuel contracts.

33. These bill estimates are based on rates published on the retailers' websites between the 11th and the 19th of July 2022 and it must be noted that retailers may change their rates at any time. Additional discounts for customers choosing to pay by direct debit are not included in these bill calculations.

TABLE 3 | Published electricity market offers, effective as of July 2022: Key additional features and contract conditions

Retail product	Guaranteed discounts	Pay on time discounts	ETF*	LPF*	Shortened billing cycle [^]	Offer took effect
AGL Value Saver	No	No	No	\$12	No	4/7/22
Diamond Energy Renewable Saver	No	2% off bill	No	\$15	No	1/7/22
Energy Australia Flexi Plan	No	No	No	\$12	No	1/7/22
Energy Locals Online Member	No	No	No	\$16	No	1/7/22
Origin Energy Go Variable	No	No	No	\$12	No	1/7/22
Simply Energy Basic	No	No	No	\$12	No	1/7/22
Powershop Carbon Neutral	No	No	No	No	Yes	16/6/22
Red Energy Living Easy Saver	No	No	No	No	No	1/7/22
Alinta Energy Home Deal	No	No	No	No	Yes	19/7/22
ReAmped Energy Advance	No	No	No	No	Yes ^{^^}	23/6/22
Kogan Energy Free Kogan First	No	No	No	No	Yes	16/6/22
Amber Electric Amber Plan	No	No	No	\$16	Yes	1/7/22
GloBird Energy GloSave	No	No	No	No	No	2/6/22
Sumo Power Assure	No	No	No	No	Yes	6/6/22

* ETF = Early Termination Fee and LPF = Late Payment Fee

[^] If yes, the offer has a mandatory shortened billing cycle (monthly billing)

^{^^} Fortnightly billing cycle

Since the introduction of the DMO, many electricity retailers have moved away from pay on time discounts to offer guaranteed discount or no discount at all. Currently, Diamond Energy is the only retailer that offers a pay on time discount.

Table 4 below shows the difference to annual bills for customers that pay late compared to customers that pay on time.³⁴ The greatest difference (\$115 per annum) would apply to customers on Diamond Energy's offer which includes both a pay on time discount and a late payment fee. As most retailers that charge late payment fees bill customers quarterly, these numbers are based on four late payment fees (where applicable) per annum. As outlined in table 3 above, however, some retailers issue monthly bills and customers can therefore be charged up to \$192 per annum in late payment fees alone.³⁵

34. Based on a quarterly billing cycle (4 bills per annum).

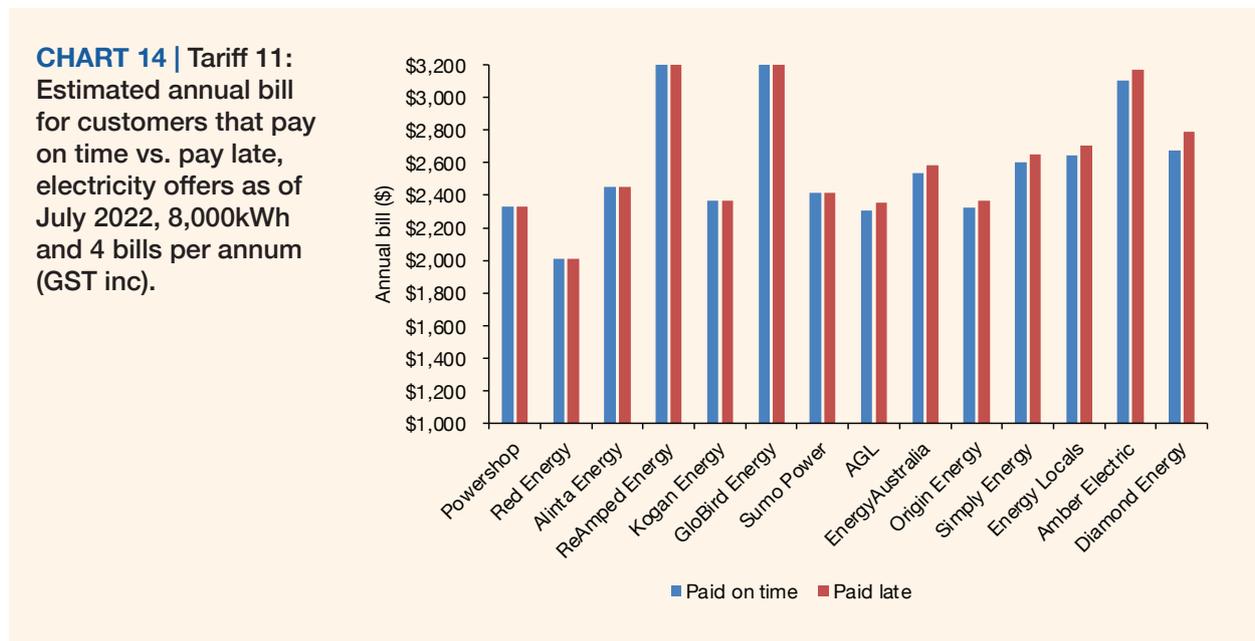
35. Based on Amber Electric's late payment fee of \$16.

TABLE 4 | Electricity offers as of July 2022: Difference (\$) in annual bill between paying all bills on time vs. paying all bills late (based on 8,000kWh and 4 bills per annum)

Tariff 11 (\$)	
Diamond Energy	\$115
Energy Locals	\$64
Amber Electric*	\$64
AGL	\$48
EnergyAustralia	\$48
Origin Energy	\$48
Simply Energy	\$48
Powershop	\$0
Red Energy	\$0
Alinta Energy	\$0
ReAmped Energy	\$0
Kogan Energy	\$0
GloBird Energy	\$0
Sumo Power	\$0

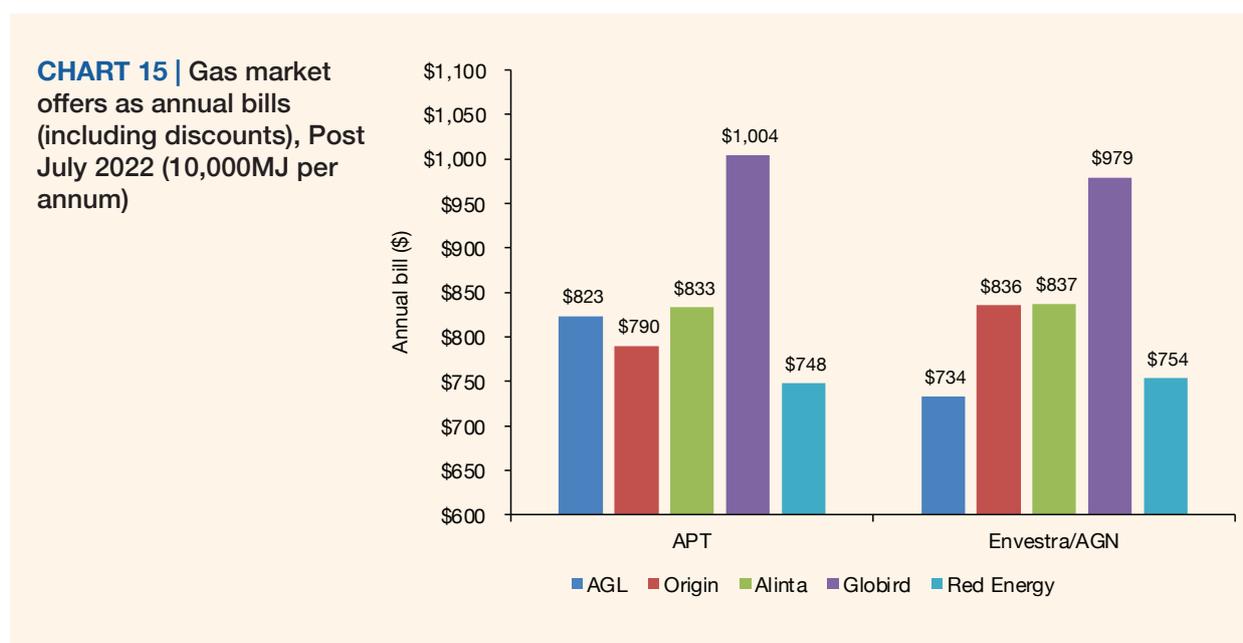
*Mandatory monthly billing means that customers can pay up to \$192 in late payment fees in a year

Chart 14 below shows the estimated annual electricity bill (tariff 11) for customers that always pay on time and for those who always pay late.



2.2 Gas market offers post July 2022

There are no regulated gas offers in Queensland and currently AGL, Origin Energy, Alinta Energy, GloBird Energy and Red Energy have gas market offers for residential consumers. As only North Brisbane (including Ipswich) and South Brisbane (including Gold Coast, Toowoomba, Oakey) have more than one market offer, this analysis only comprises market offers in these two areas.³⁶ Chart 15 below shows that Red Energy's offer produces the lowest bill in the APT zone and AGL in the Envestra/AGN zone. The average market offer has increased by \$100, or 14%, since July 2021. The average gas market offer is currently around \$835 for households consuming 10,000KJ per annum.³⁷



As is the case for electricity, gas market offers contain fewer discounts as well as other conditions compared to previously. Table 5 below shows the key features and contract conditions of the gas market offers used in this analysis.

TABLE 5 | Published gas market offers in the APT and Envestra/AGN gas zones as of July 2022: Key features and contract conditions

	Guaranteed discounts	Pay on time discounts	ETF*	LPF*	Contract term/Limited benefit period	Offer took effect
AGL Value Saver	No	No	No	\$12	12 months	4/7/22
Origin Energy Go Variable	No	No	No	\$12	12 months	1/7/22
Alinta Energy Home Deal	No	No	No	No	No	19/7/22
GloBird Energy GloSave	No	No	No	No	No	16/6/22
Red Energy Living Energy Saver	No	No	No	No	No	1/7/22

* ETF = Early Termination Fee and LPF = Late Payment Fee

36. Gas customers in Rockhampton, Gladstone, Bundaberg, Maryborough and Hervey Bay only have access to Origin's market offers.

37. Average based on all retailers in the Brisbane North and Brisbane South pricing zones.

The difference between the best and the worst market offers is less for gas than electricity. The difference between the highest and the lowest market offers is of approximately \$255 in the APT zone (Brisbane South) and around \$245 in the Envestra/AGN zone (Brisbane North).

Figures 2 and 3 below show estimated annual bills for gas market offers post discounts in the APT and Envestra/AGN gas zones.³⁸

FIGURE 2 | APT gas zone: Lowest to highest annual bills (incl GST) for market offers post July 2022, including discounts and pay on time discounts - Households consuming 10,000MJ per annum

	Red Energy	\$748
	Origin	\$790
	AGL	\$823
	Alinta	\$833
	Globird	\$1,004

FIGURE 3 | Envestra/AGN gas zone: Lowest to highest annual bills (incl GST) for market offers post July 2022, including discounts and pay on time discounts - Households consuming 10,000MJ per annum

	AGL	\$734
	Red Energy	\$754
	Origin	\$836
	Alinta	\$837
	Globird	\$979

Charts 16-17 below show the estimated annual gas bill for customers that always pay on time and customers who do not, for published gas offers in the APT and Envestra/AGN gas zones. For AGL and Origin customers, charts 16 and 17 show that annual bills are almost \$50 less for prompt payers compared to late payers. This difference reflects the retailers' late payment fees of \$12 that may be applied to each quarterly bill.³⁹

38. These bill estimates are based on rates published on the retailers' websites between the 11th and the 19th of July 2022 and it must be noted that retailers may change their rates at any time.

39. Note that Alinta, GloBird and Red Energy do not charge a late payment fee.

CHART 16 | APT gas zone: Estimated annual bills for customers that pay on time vs. pay late, gas offers as of July 2022 (10,000MJ, GST incl)⁴⁰

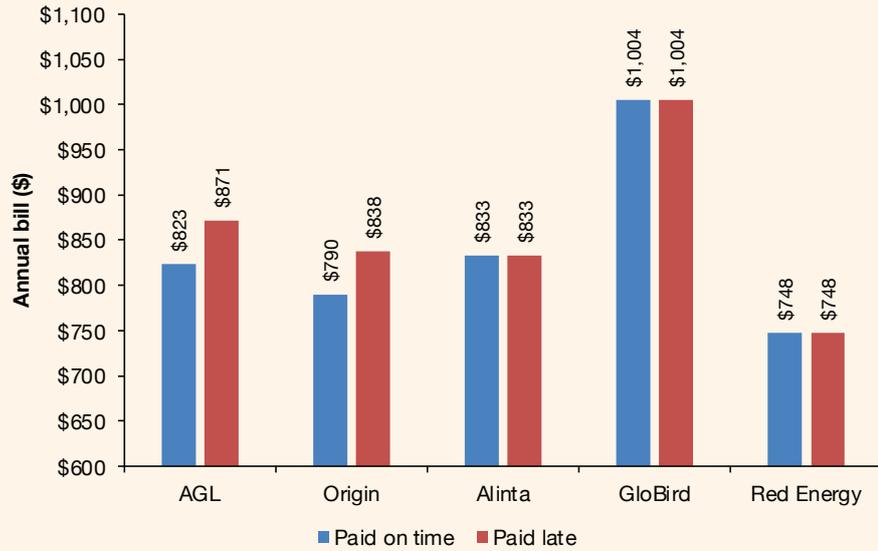
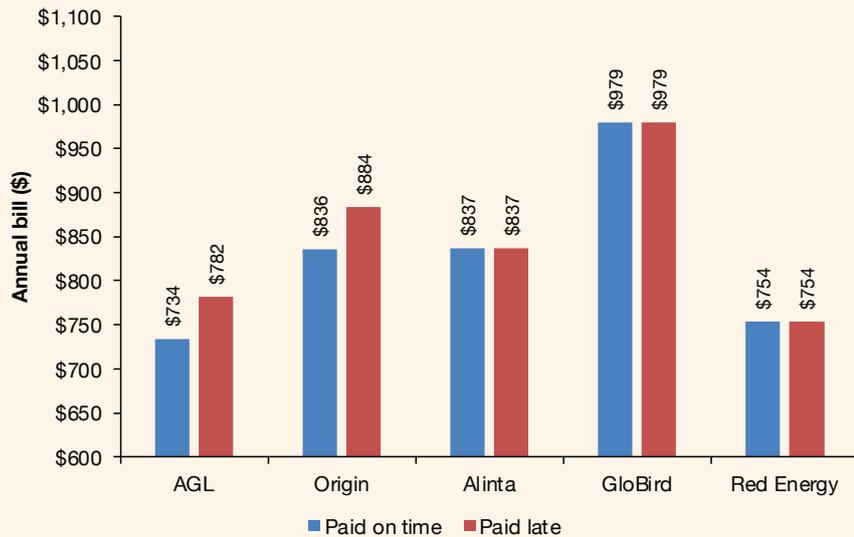


CHART 17 | Envestra/AGN gas zone: Estimated annual bills for customers that pay on time vs. pay late, gas offers as of July 2022 (10,000MJ, GST incl)⁴¹



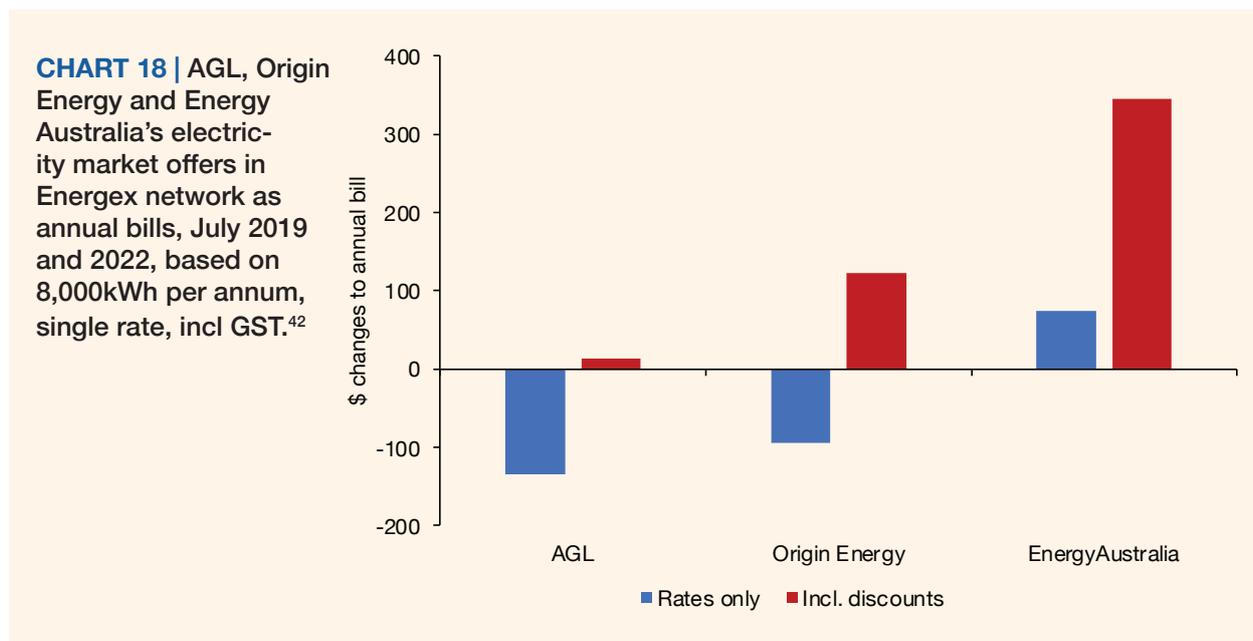
40. Annual bill calculation includes discounts, pay on time discounts and late payment fees as per energy offer.

41. Ibid.

3. The Default Market Offer (DMO) and market changes

As discussed above (section 1), the DMO regulation stipulates that retailers must structure their prices to not exceed the annual DMO price for a set consumption level. In relation to other market offers, however, the retailers can set their own prices.

Chart 18 below shows changes to AGL, Origin Energy and Energy Australia’s market offer bills from July 2019 to July 2022. The blue columns show changes to base rates while the red columns show changes to bills inclusive of discounts. While both AGL and Origin have lower rates now compared to July 2019, their annual bills inclusive of additional discounts is \$125 higher for Origin Energy customers while AGL’s customers pay approximately the same as they did in July 2019. In regards to Energy Australia, the base rates have had a moderate increase since July 2019 but customers’ bills inclusive of discounts are now \$345 more per annum compared to July 2019. When the DMO took effect in July 2019, AGL, Origin Energy and Energy Australia offered guaranteed discounts of between 6 and 11%. As of July 2021, only Energy Australia offered additional discounts (a guaranteed discount of 14% off the bill) but currently (July 2022) none of them have offers with additional discounts. This means that while base rates have either decreased or moderately increased over this period, some customers that used to receive high additional discounts now have higher bills than they did in July 2019.

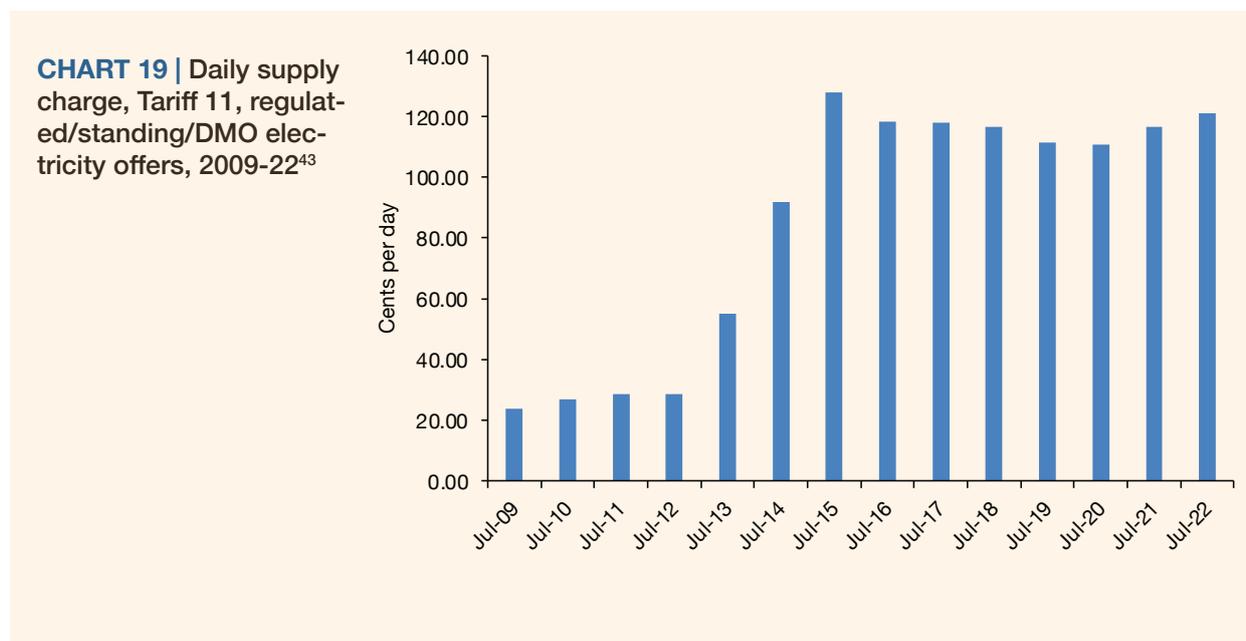


42. As AGL, Origin Energy and Energy Australia have discontinued their offers and introduced new market offers over this period, this analysis is based on market offers deemed best value as well as “standard” (e.g. no direct debit requirements, fixed prices etc.) in both July 2019 and July 2022. The offers used for this comparison (2019/2022) are: AGL (Smart Saver/Value Saver), Origin Energy (Flexi/Go Variable) and Energy Australia (Total Plan/Flexi Plan).

4. Supply charges

4.1 Electricity supply charges

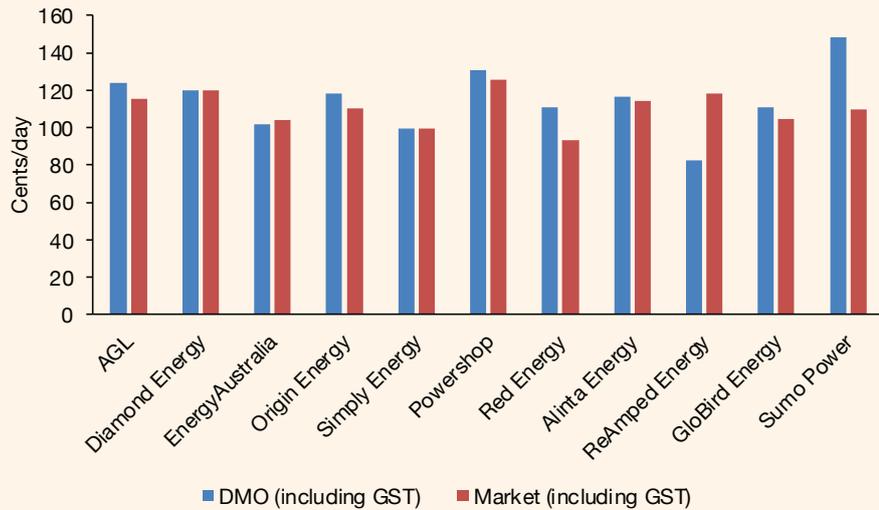
The supply charge is a fixed daily charge that is paid in addition to the consumption charges for electricity used. In Queensland the supply charge for single rate electricity customers (tariff 11) has increased by 4% since July 2021. The average supply charge (based on AGL and Origin's standing offers) is over 121 cents per day meaning that households pay around \$442 per annum in fixed charges. Chart 19 below shows the changes to the daily supply charge from July 2009 to July 2022.



The supply charge varies between retailers. Chart 20 shows that most retailers apply higher fixed supply charges to their DMOs than their market offers, while some (Diamond Energy and Simply Energy) apply the same supply charge to DMOs and market offers. Two retailers (Energy Australia and ReAmped Energy) apply higher supply charges to their market offer than they do to the DMO. Furthermore, it shows that Powershop's market offer supply charge is 32 cents/day higher than Red Energy's market offer supply charge.

43. The 2016, 2017, 2018, 2019, 2020, 2021 and 2022 charges are based on AGL and Origin's average supply charge

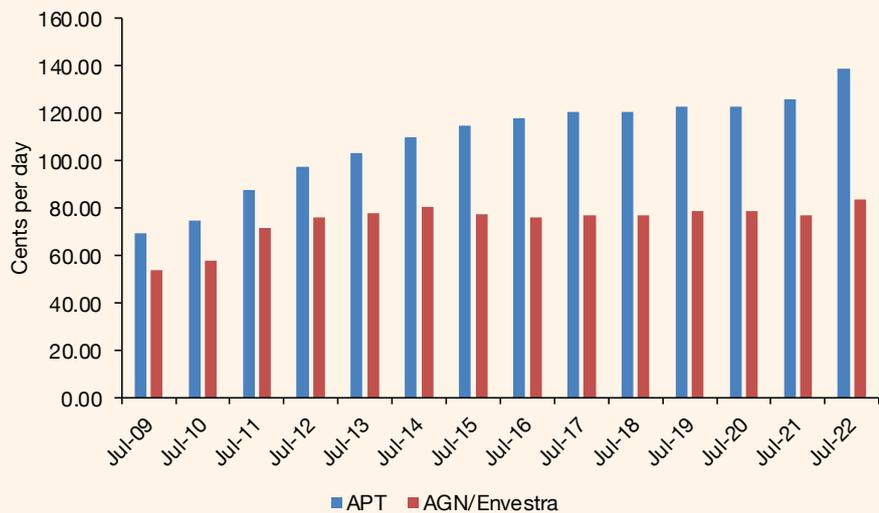
CHART 20 | Daily supply charge July 2022, Tariff 11, Cents/day incl. GST⁴⁴



4.2 Gas supply charges

In July 2022, the average fixed supply increased in both the APT (Brisbane South) distribution zone and in the Envestra/AGN (Brisbane North) zone in comparison to July 2021. The average gas supply charge is just under 139 cents/day in the APT distribution area and approximately 83 cents/day in the Envestra/AGN (Brisbane North) pricing zone. This effectively means that South Brisbane households (APT zone) pay just over \$505 per annum in order to be connected to natural gas. Chart 21 below shows changes to the gas supply charge from July 2009 to July 2022 for both gas zones.

CHART 21 | Gas supply charges from July 2009 to July 2022, Cents per day⁴⁵



44. Note that only retailers that have published DMO offers as well as market offers have been included in this chart.

45. Based on the average gas supply charge (AGL and Origin) for the standard gas offer.

The average domestic gas consumption in Queensland is relatively low and as such the supply charges comprise a significant proportion of the annual gas bill.⁴⁶ For households consuming 10,000MJ per annum in the APT gas zone, the supply charge makes up 55% of the annual bill. In the Envestra/AGN zone (Brisbane North), the supply charge makes up around 35% of the annual bill (for the same consumption level).

46. We have assumed typical residential annual gas consumption in Queensland to be 10,000MJ per annum while in Victoria we base it on 63,000MJ.

5. Network charges

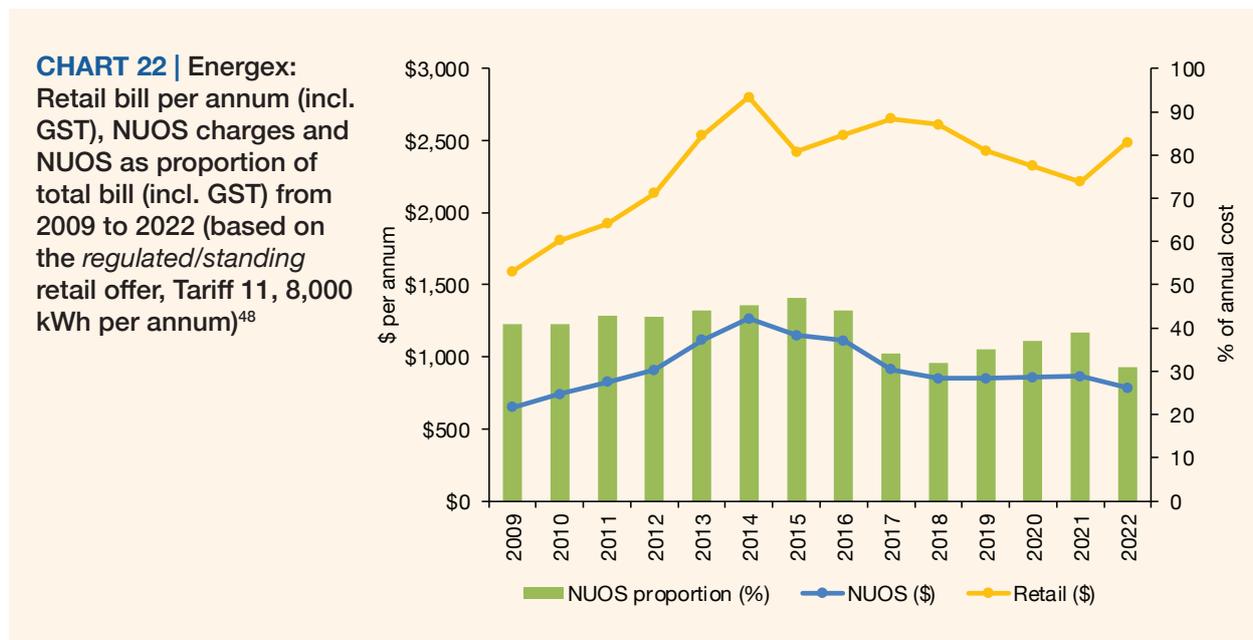
This section examines changes to electricity network charges since 2009 and gas distribution charges since 2019.

5.1 Electricity network charges

The Queensland electricity networks, Energex and Ergon, introduce new Network Use of System (NUOS) charges as of 1 July every year. These NUOS charges are approved by the Australian Energy Regulator (AER) and comprise Transmission Use of System (TUOS) and Distribution Use of System (DUOS) and the retailers can, and generally will, build changes to the NUOS (in relation to both shape and price) into their retail tariffs.

Chart 22 shows annual retail bills (yellow line), NUOS charges as annual cost (blue line) and NUOS as proportion of annual bill (columns).⁴⁷

It shows that the NUOS charges declined between July 2014 and July 2018 before slight increases in July 2019, 2020 and 2021. In 2022 the NUOS decreased while the overall retail bill increased, the NUOS proportion of bills has therefore decreased from 39% in July 2021 to 31% in July 2022.

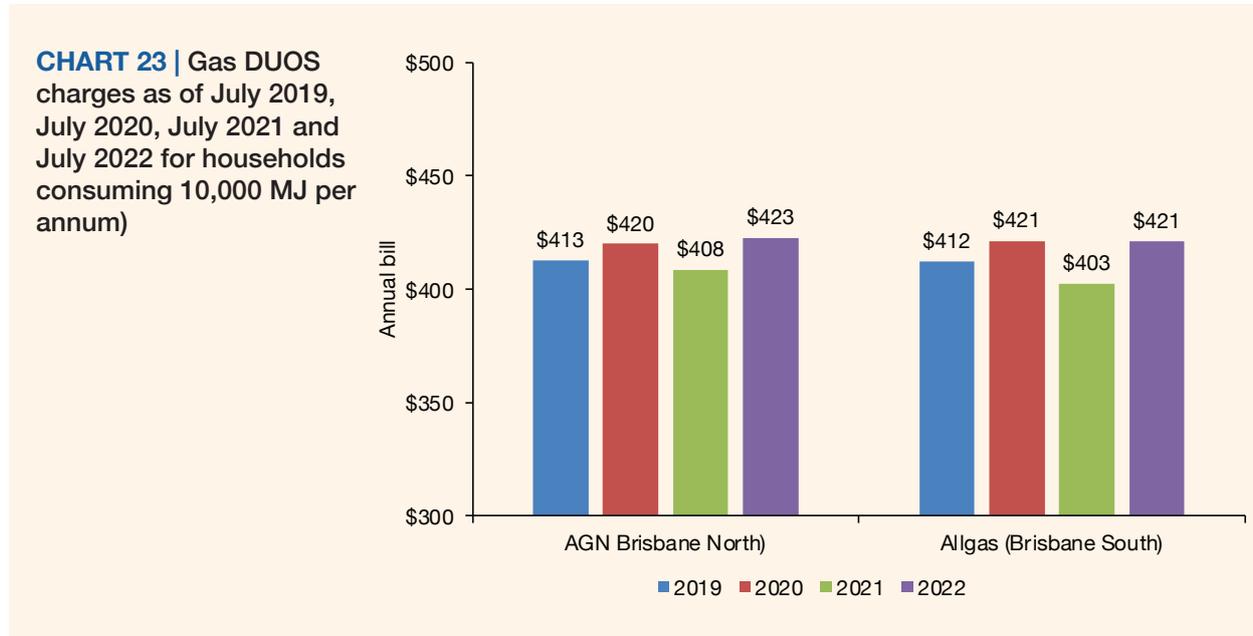


47. The regulated residential retail tariff, which applies to residential customers across Queensland, is based on Energex' network tariff only.

48. Based on the regulated retail offer rates from 2009 to 2015 and AGL and Origin's standing/DMO offers (average) as of July 2016, 2017, 2018, 2019, 2020, 2021 and 2022. Presented as annual bills for households using 8,000kWh per annum (flat rate). The annual NUOS charges have been calculated by allocating 2,000kWh per quarter (again based on annual consumption of 8,000kWh) to the step charges stipulated in the NUOS. The annual NUOS cost also includes fixed charges.

5.2 Gas distribution charges

As for electricity, the Queensland gas distributors, Envestra/AGN and APT Allgas, introduce new Distribution Use of System (DUOS) charges as of 1 July every year. A more recent addition to the Tariff-Tracking project has been to analyse changes to gas DUOS charges. This analysis includes the two main gas distribution areas: Envestra/AGN North (Brisbane North) and APT Allgas (Brisbane South and the Gold Coast). Chart 23 below shows that the DUOS charges increased in both areas in July 2022.



Charts 24 and 25 below show that the DUOS proportion of bills decreased in July 2022 as the average retail bill increased more than the DUOS. The DUOS proportion of gas retail bills is currently 48% in Envestra/AGN North and 46% in APT Allgas.

CHART 24 | Envestra/ AGN North: Retail bill per annum (incl. GST), DUOS charges and DUOS as proportion of total bill (incl. GST) as of July 2019, July 2020, July 2021 and July 2022 (based on AGL and Origin's average standing offer, 10,000 MJ per annum)⁴⁹

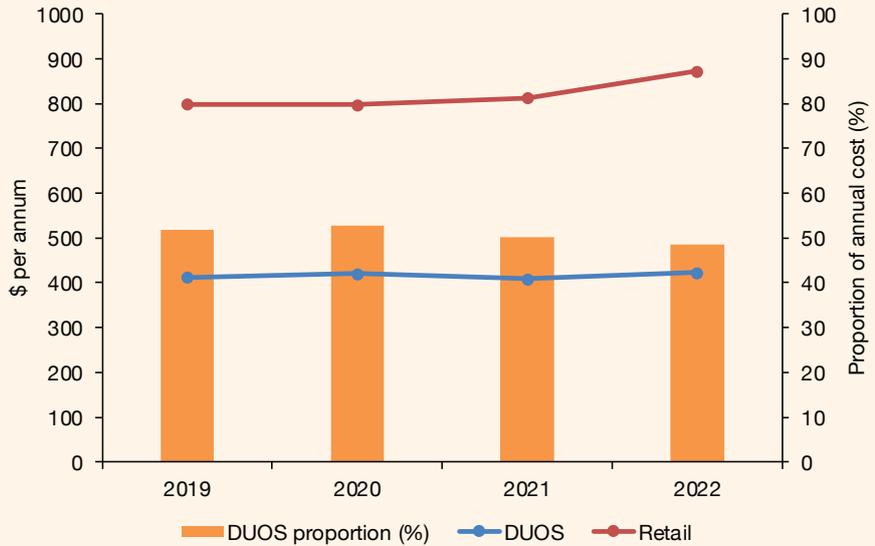
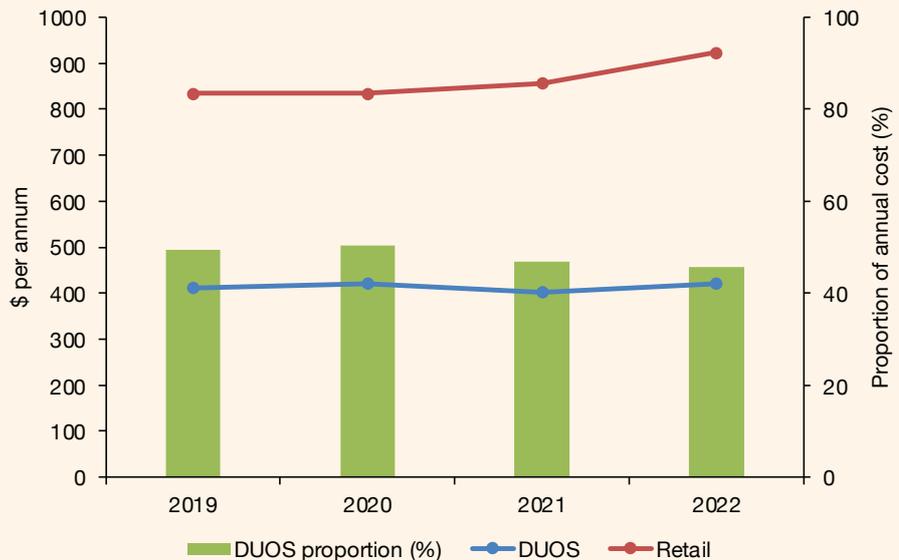


CHART 25 | APT Allgas: Retail bill per annum (incl. GST), DUOS charges and DUOS as proportion of total bill (incl. GST) as of July 2019, July 2020, July 2021 and July 2022 (based on AGL and Origin's average standing offer, 10,000 MJ per annum)⁵⁰



49. Based AGL and Origin's standing offers (average) as of July 2019, 2020, 2021 and 2022. Presented as annual bills for households using 10,000 MJ per annum. The annual DUOS charges have been calculated by allocating 2,500 MJ per quarter (again based on annual consumption of 10,000 MJ) to the step charges stipulated in the DUOS. The annual DUOS cost also includes fixed charges.

50. Based AGL and Origin's standing offers (average) as of July 2019, 2020, 2021 and 2022. Presented as annual bills for households using 10,000 MJ per annum. The annual DUOS charges have been calculated by allocating 2,500 MJ per quarter (again based on annual consumption of 10,000 MJ) to the step charges stipulated in the DUOS. The annual DUOS cost also includes fixed charges.

6. Solar offers

There are almost 855,000 small scale rooftop solar systems in Queensland.⁵¹ Many of these households are currently receiving a solar feed in rate (FIT) of 44 cents per exported kWh but as these schemes are closed to new entrants, customers currently looking for solar offers need to assess both the retailers' FIT rates as well as the cost of electricity imported.

This section analyses and compares market offer bills for South East Queensland customers with 1.5 kW and 3 kW systems installed.⁵² As retailers are not required to publish rates for solar products purchased and installed through them, this analysis only examines electricity offers available to customers independently of solar panels and installation.

Methodology and assumptions

To calculate the annual bills for the various solar market offers the following assumptions and methodology have been applied:

- ▲ An annual household consumption of 8,000kWh (including both produced and imported).
- ▲ Calculations have been produced for households with 1.5 kW and 3 kW systems only.
- ▲ For Brisbane households, an annual generation capacity per kW installed of 1.736 MWh and an export rate of 53.4% for 3 kW systems and 24.6% for 1.5 kW systems.
- ▲ For rural households, an annual generation capacity per kW installed of 1.857 MWh and an export rate of 56.4% for 3 kW systems and 29.5% for 1.5 kW systems.
- ▲ Only FIT rates available to new customers have been included. Retailer funded FIT rates have been applied as per offer.
- ▲ For tariffs with controlled load, 15% of the total load has been allocated to the off-peak rate.
- ▲ A flat annual consumption has been assumed.
- ▲ The annual bills have been based on quarterly bill calculations and all step increases have been applied as quarterly thresholds (including when the retail offer refers to daily or monthly thresholds). Daily fixed charges have been multiplied by 91 to calculate the quarterly amount.

Four retailers (ReAmped Energy, AGL, Origin Energy and Diamond Energy) reduced their FIT rates in July 2022. Others, like Amber Electric, Kogan, Powershop and Sumo Power have not changed their FIT rates since last year. The remaining five retailers have either increased the FIT or introduced new solar specific products that have a greater FIT rate compared to last year. Furthermore, it is becoming increasingly common that retailers offer a relatively high FIT rate for a set amount of kWh exported each day and a much lower FIT rate for export beyond that. As of July 2022, the average FIT rate (for initial export below any threshold applied) is 6.4 c/kWh compared to 7.8 c/kWh one year ago (July 2021).⁵³

51. Small scale is defined as systems up to 100 kW. Clean Energy Council, Clean Energy Australia Report 2022, 76

52. 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.

53. Note that the averages are based on fewer retailers in July 2022 compared to July 2021

TABLE 6 | Retailers' FIT rates July 2022

Retailer	Offer	1 st FIT rate (c/kWh)	Threshold	2 nd FIT rate (c/kWh)
Red Energy	Living Energy Saver	11.5	5 kWh/day	5
Energy Locals	Online Member	10.2	10 kWh/day	6
AGL	Solar Savers	10	14 kWh/day	5
Origin Energy	Solar Boost	10	14 kWh/day	5
EnergyAustralia	Solar Max	10		
Alinta Energy	Home Deal Solar	8		
Simply Energy	Basic	7		
Sumo Power	Assure	6		
Diamond Energy	Renewable Saver	5.2		
GloBird Energy	GloSave	5		
Powershop	Carbon neutral	3.5		
Kogan Energy	Free Kogan First	2.88		
ReAmped Energy	Solar	0		
Amber Electric	Amber Plan	0		

Chart 26 below compares annual retail bills for solar customers in Brisbane with 3 kW and 1.5 kW installed.⁵⁴ It shows that ReAmped Energy, Amber Electric and GloBird offers produce annual bills above the average for both 3 kW and 1.5 kW systems. Brisbane solar customers with 3 kW systems (and this consumption level) would be \$2,685 per annum better off on Red Energy's offer compared to GloBird's offer. Customers with a 1.5 kW system installed may save \$2,810 per annum if they switched from GloBird to Red Energy's offer.

The average annual bill is approximately \$1,900 for households with 3 kW systems and \$2,185 for households with 1.5 kW systems installed. This means that the average annual bill is \$900 less for solar households with 3 kW systems installed compared to non-solar households.⁵⁵ Compared to last year, the average market offer for solar customers (3 kW systems) has increased by approximately \$585 or 44%.

54. 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.

55. For non-solar households, the average market offer bill (including pay on time discounts) is \$2,800 See section 2.1.

CHART 26 | Annual bills including discounts and FIT credits for Brisbane customers with 3 kW and 1.5 kW solar systems. Electricity offers post July 2022 as annual bills, Tariff 11, 8,000kWh (GST incl).⁵⁶

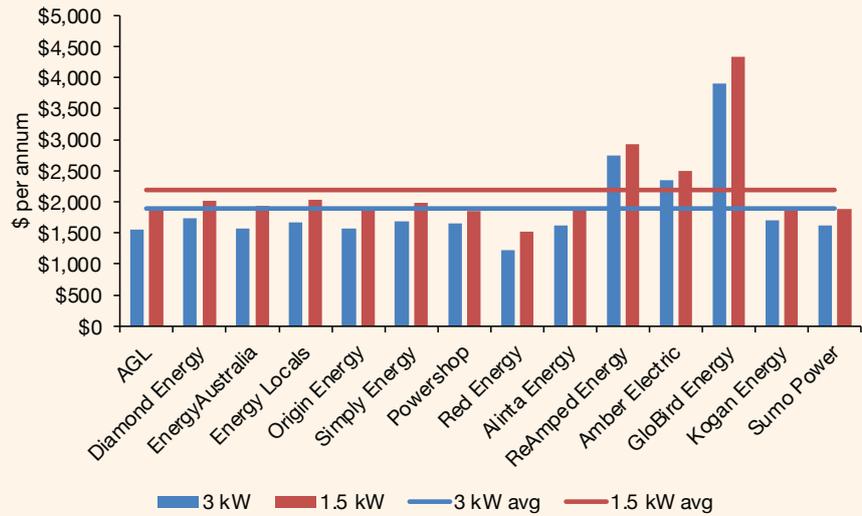


Figure 4 below shows estimated annual bills for solar market offers post discounts ranked from the lowest annual bill to the highest.⁵⁷

FIGURE 4 | Lowest to highest annual bills (incl GST) for solar market offers post July 2022, including discounts, pay on time discounts and Feed-in-tariff – Metropolitan households with 3 kW solar systems, consuming 8,000kWh per annum (including generated and imported electricity), Tariff 11

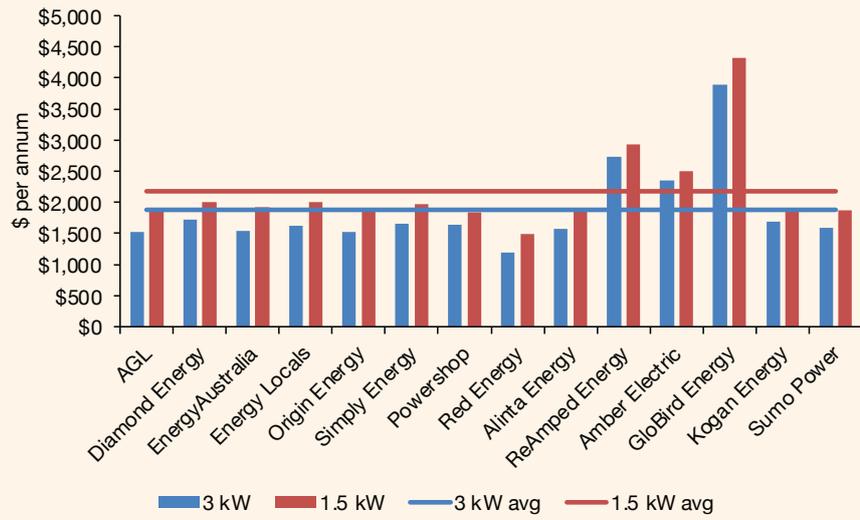
	Red Energy	\$1,221		Sumo Power	\$1,621		Diamond Energy	\$1,739
	AGL	\$1,560		Powershop	\$1,657		Amber Electric	\$2,349
	Origin Energy	\$1,564		Energy Locals	\$1,665		ReAmped Energy	\$2,737
	EnergyAustralia	\$1,576		Simply Energy	\$1,686		GloBird Energy	\$3,906
	Alinta Energy	\$1,613		Kogan Energy	\$1,698			

Homes outside Brisbane’s metropolitan area will typically have less overshadowing and therefore a higher generation capacity and export rate. Chart 27 compares annual retail bills for solar customers in non-metropolitan Queensland with 3 kW and 1.5 kW installed. It shows that the annual bills for solar customers are somewhat lower in non-metropolitan areas but the same retailers produce higher than average bills and the price-spread is similar to that in metropolitan areas (see chart 26 above).

56. Calculations include discounts off usage or bill as well as pay on time discounts off usage or bill.

57. These bill estimates are based on rates published on the retailers’ websites between the 11th and the 19th of July 2022 and it must be noted that retailers may change their rates at any time. Additional discounts for customers choosing to pay by direct debit are not included in these bill calculations.

CHART 27 | AAnnual bills including discounts and FIT credits for regional and rural customers with 3 kW and 1.5 kW solar systems. Electricity offers post July 2022 as annual bills, Tariff 11, 8,000kWh (GST incl).⁵⁸



58. Calculations include discounts off usage or bill as well as pay on time discounts off usage or bill.