



# ACT Energy Prices July 2022

An update report on the ACT Tariff-Tracking Project



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**An Update Report on the ACT Tariff-Tracking Project**

**May Mauseth Johnston, August 2022**  
**Alviss Consulting Pty Ltd**



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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](http://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 ACT Tariff-Tracking Project

This project has tracked electricity and gas tariffs in the ACT from July 2009 to July 2022 and developed a spreadsheet-based tool that allows consumer advocates to build on the initial analysis while continuing to track changes as they occur.

To analyse changes to energy costs in the ACT, we assume typical household consumption of 48,000MJ per annum for gas, 6,500kWh per annum in electricity consumption for dual fuel households, and 8,000kWh per annum for all-electric households, thereof 30% off-peak for customers with controlled load (off-peak 1).<sup>1</sup>

We have also developed workbooks that allow the user to enter consumption levels and analyse household bills for regulated electricity and gas market offers from July 2009 to July 2022, as well as published electricity and gas market offers post the price resets in July 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022.<sup>2</sup> A more 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: Regulated electricity offers July 2009-July 2022***

***Workbook 2: Gas offers July 2009-July 2022***

***Workbook 3: Electricity market offers July 2013-July 2022***

***Workbook 4: Gas market offers July 2013-July 2022***

***Workbook 5: Solar 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](http://www.vinnies.org.au/energy)

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<sup>1</sup> Gas and electricity consumption for dual fuel households is based on a mix of ICRC figures (see ICRC, Compliance and Performance Report for 2010-11, Licensed Electricity, Gas, Water and Sewerage Utilities, November 2012), ACT Government Canberra Quick Stats 2009-2010 and our own estimates. Note, however, that the Tariff-Tracking tool (the workbooks) is designed so users can insert their own consumption levels.

<sup>2</sup> 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' websites and Energy Made Easy to collect market offers for the Tariff-Tracking tool. If the retailer has more than one market offer, we use the offer with the best rates/discounts that do not require direct debit arrangements.

## Key findings

In terms of general trends, the tariff analysis has found that:<sup>3</sup>

- | The annual bill for households on **ActewAGL's regulated rate** (single/flat rate tariff) has typically **decreased by \$35, or 1%**, since July 2021. **See chart 1 in section 1.**
- | Households' annual **gas costs have increased by \$115**, or 6%, since July 2021. **See table 1 in section 1.**
- | When **combining ActewAGL's regulated electricity rate and gas standing offer**, the total cost of energy, for average consumption households, has **increased by 2% (or \$90)**. **See chart 3 in section 1.**
- | **The number of retailers offering electricity contracts to households in the ACT has decreased.** Currently five retailers, the host retailer ActewAGL, EnergyAustralia, Origin Energy, Red Energy, and Amber Electric, are offering market contracts to residential electricity customers. This is three fewer than in 2021. For gas, there remain four retailers in the ACT (ActewAGL, Energy Australia, Origin Energy and Red Energy).
- | A typical consumption household can **save \$570 per annum** on electricity costs by **switching from the regulated rate to Actew AGL's market offer**. **See chart 6 in section 2.1.**
- | On average, an **electricity market offer bill (inclusive of discounts) is \$2,610** for households using 8,000 kWh and that is a **rise of \$390, or 18%, since last year** (July 2021). It should be noted that the highest offer (Amber Electric) is an outlier and alone adds around \$200 to the 2022 average price. **See section 2.1.**
- | A typical gas consumption household can **save \$540 per annum on gas costs by switching from ActewAGL to Red Energy** (including discounts). **See chart 9 in section 2.2.**

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<sup>3</sup> These calculations are based on changes to the regulated offer for dual fuel customers using 6,500kWh per annum, changes to the regulated offer for all-electric customers using 8,000kWh per annum (thereof 30% off-peak for customers with controlled off-peak load) and ActewAGL's offers for gas customers using 48,000MJ per annum.

- | Energy supply charges have remained static in 2022. **Electricity customers on the flat rate or a time of use tariff will continue to pay around \$375 per annum in fixed supply charges while customers on the inclining block tariff will continue to pay approximately \$475.** The gas supply charge also remains the same and ACT households continue pay \$305 per annum in order to be connected to natural gas. **See section 3.**
- | In July 2021, **electricity Network Use of System (NUOS) charge decreased by 9%** and the NUOS currently accounts for 37% of the electricity bill for an average consumption household. **See section 4.1.**
- | The **gas Distribution Use of System (DUOS) charge increased by 5%** and the DUOS continues to account for 23% of the gas bill for an average consumption household. **See section 4.2.**
- | The **average annual bill is approximately \$1,830 for solar households** with 3kW systems installed. This means that the **average annual bill is \$780 less for solar households with 3kW systems installed compared to non-solar households.** **See section 5.**
- | Compared to last year (July 2021), the **average market offer for solar customers (3kW systems) has increased by \$350 or 24%.** As is the case with non-solar offers, Amber Electric's offer is significantly higher than the other retailers and increases the average annual bill accordingly. **See section 5.**
- | Retailers' FIT rates range from zero to 10 cents per kWh. **A household with a 3kW solar system installed will receive approximately \$300 per annum in FIT credits from ActewAGL, EnergyAustralia and Origin Energy, \$180 from Red Energy and zero from Amber Electric.**

# 1. Energy price changes from July 2021 to July 2022

Chart 1 below shows increases to the regulated electricity rates from July 2021 to July 2022 for each of the four tariff types. The annual bill for all-electric households with a typical consumption level will range from \$2,340 to \$2,590, depending on the tariff type. Average consumption households on a single/flat rate electricity tariff will experience a small decrease of around \$35 (1%) to their annual bill.

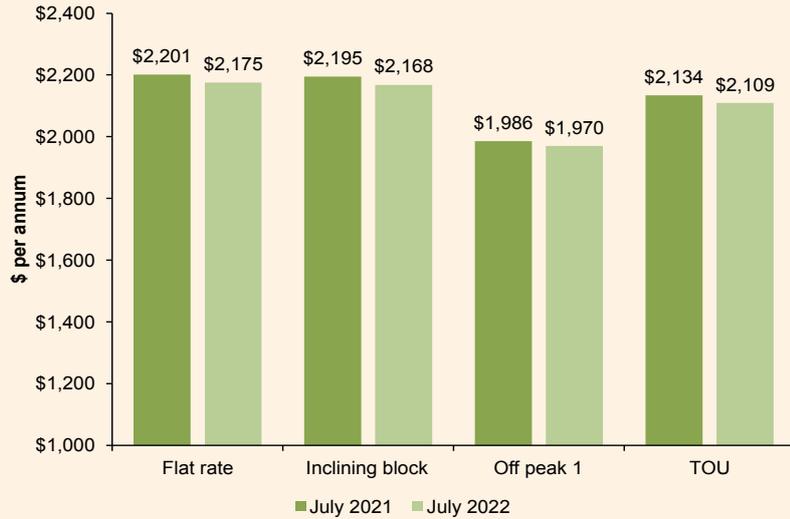


Gas prices increased on 1 July 2022. A household using 48,000MJ per annum will have an annual gas bill of \$2,105 which is \$115 (6%) more than last year.

Charts 2 and 3 below show changes in electricity and gas costs for dual fuel households. As these households typically use less electricity compared to all-electric households, any changes to the electricity bill will naturally be lower. Typical consumption dual fuel customers can expect a small decrease of \$15 - \$25 to their annual electricity cost depending on the tariff type (chart 2). When combining the electricity and gas costs, the total cost of energy, for average consumption households on a single/flat rate electricity tariff has increased by 2% or around \$90 (see chart 3).<sup>4</sup>

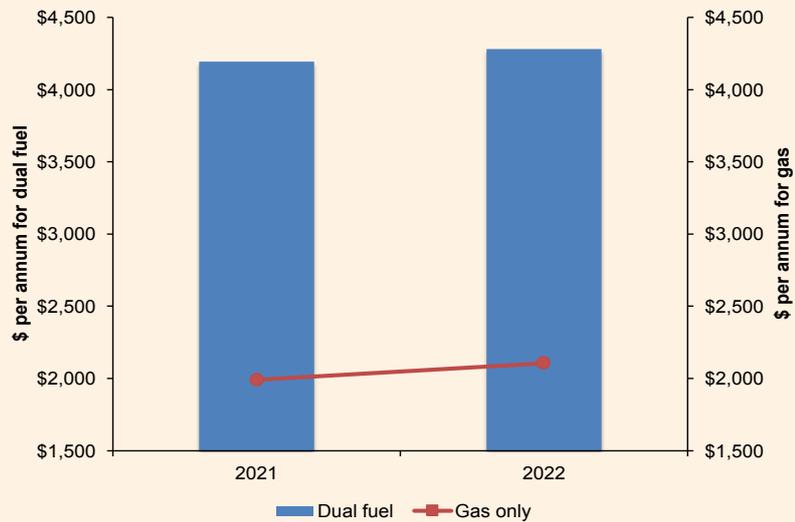
<sup>4</sup> Based on annual consumption of 6,500kWh on a single/flat rate tariff.

**CHART 2 |** Changes to the annual cost of regulated electricity offers for dual fuel households from 2021 to 2022, based on annual consumption level of 6,500kWh, GST inclusive.\*



\* Thereof 30% off-peak and 70% flat rate for households with controlled load (off-peak 1) and 20% peak, 50% shoulder and 30% off-peak for households on a Time of Use (TOU) tariff.

**CHART 3 |** Changes to the annual cost for dual fuel customers and gas only from 2021 to 2022, dual fuel based on 6,500kWh (flat rate) and 48,000MJ per annum, GST inclusive.\*



\* Based on ActewAGL's gas rates only.

Table 1 below highlights the price trends for electricity and gas offers in the ACT from 2021 to 2022.

**TABLE 1 |** Electricity (single rate) and gas price changes from July 2021 – July 2022.

|           | All-electric (8,000kWh) | Gas (48,000MJ) | Dual fuel (6,500kWh + 48,000MJ) |
|-----------|-------------------------|----------------|---------------------------------|
| \$ Change | -\$35                   | \$115          | \$90                            |
| % Change  | -1%                     | 5.7%           | 2%                              |

## 2. Regulated vs. market offers post July 2022

Since the introduction of full retail competition in the ACT energy retail market in 2003, households have been able to choose between regulated and market offers.<sup>5</sup> While in recent years there had been an increase in retailers offering electricity contracts to households in the ACT, in 2022 the number of active retailers dropped to five (from eight in 2021). Host retailer ActewAGL, along with EnergyAustralia, Origin Energy, Red Energy and Amber Electric are offering market contracts to residential electricity customers. A majority of customers continues to be with ActewAGL, which currently has around 72% of the market share in the ACT electricity market.<sup>6</sup> For gas, there continues to be only four retailers in the ACT (ActewAGL, Energy Australia, Origin Energy and Red Energy) and ActewAGL has approximately 74% of the market share.<sup>7</sup>

The price-spread (or the maximum difference between offers) has mostly increased over the last five years. In July 2015, ACT households were unable to reduce their electricity bill by switching and the maximum potential saving for gas was \$50 per annum. In July 2016 the potential saving was \$175 for electricity and \$135 for gas. Currently, the maximum potential annual saving is \$1,405 for electricity (by switching from Amber Electric's market offer to ActewAGL's market offer) which is almost double the maximum potential saving of \$740 in 2021. We note, however, that the current maximum price-spread is the result of Amber Electric's outlier offer which is significantly higher than the other retailers. If we exclude Amber Electric's offer the maximum price-spread would be \$875. The maximum potential saving for gas is around \$535 (by switching from ActewAGL's to Red Energy's offer), an increase of almost \$200 on the 2021 gas price spread.<sup>8</sup>

### 2.1 Electricity: Regulated vs. market offers post July 2022<sup>9</sup>

Chart 4 below shows that households using 8,000kWh per annum (flat rate) will have an annual electricity bill of between \$2,020 and \$3,430, and that three of the five retailers offer lower rates than the regulated rate (when calculated as annual bills and noting that this chart is based on rates prior to additional discounts).

<sup>5</sup> Also referred to as franchise customers (those on the regulated rate and non-franchise customers (those on a negotiated market contract). Note that gas retail prices are not regulated.

<sup>6</sup> AER, data for the Retail energy market performance update for Quarter 3, 2021-22, Indicators s2.1.ai, s2.2.ai and s2.6.

<sup>7</sup> AER, data for the Retail energy market performance update for Quarter 3, 2021-22, Indicators s2.1.bi, s2.2.bi and 2.6.

<sup>8</sup> Based on an annual consumption of 8,000 kWh/annum for electricity (single rate) and 48,000 MJ for gas. Market offers inclusive of guaranteed and pay-on-time discounts. Note regarding Amber Electric: This bill calculation is based on the rates presented in Amber's Basic Plan Information Document (BPID) and as Amber offers wholesale rates (a spot-price passthrough) to its customers, the average wholesale price paid by customers may be lower than the rate used for the BPID.

<sup>9</sup> These market offers were collected from the retailers' websites or from Energy Made Easy between the 10th and 14th of July 2022. The effective from date for these offers is listed in Table 2. It should be noted that retailers can change their rates at any time.

**CHART 4 | Electricity offers as annual bills, post July 2022, Flat rate, not including discounts, 8,000 kWh per annum (GST incl).**

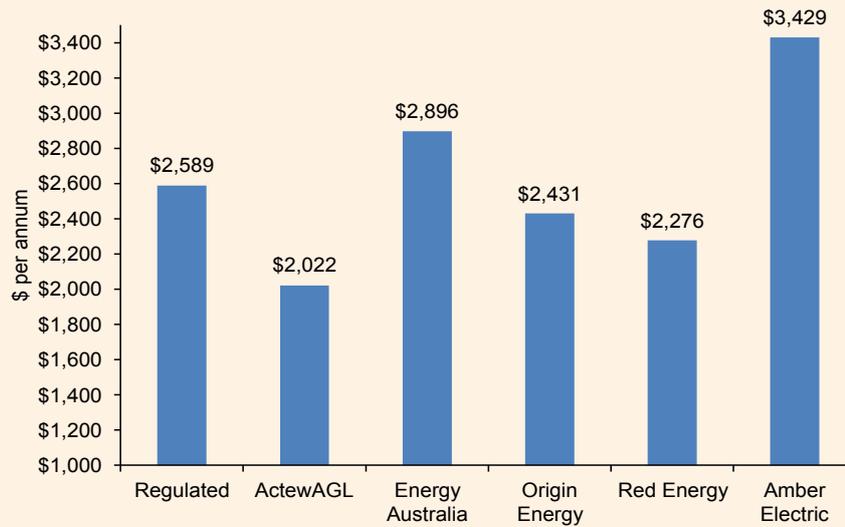


Chart 5 below shows households with controlled off-peak load will have an annual electricity bill of between \$1,840 and \$2,570, and that three of four retailers offer lower rates than the regulated rates (when calculated as annual bills and noting that this chart is based on rates prior to additional discounts).<sup>10</sup>

**CHART 5 | Electricity offers as annual bills, post July 2022, controlled load, not including discounts, 8,000kWh per annum, thereof 30% off-peak (GST incl).**

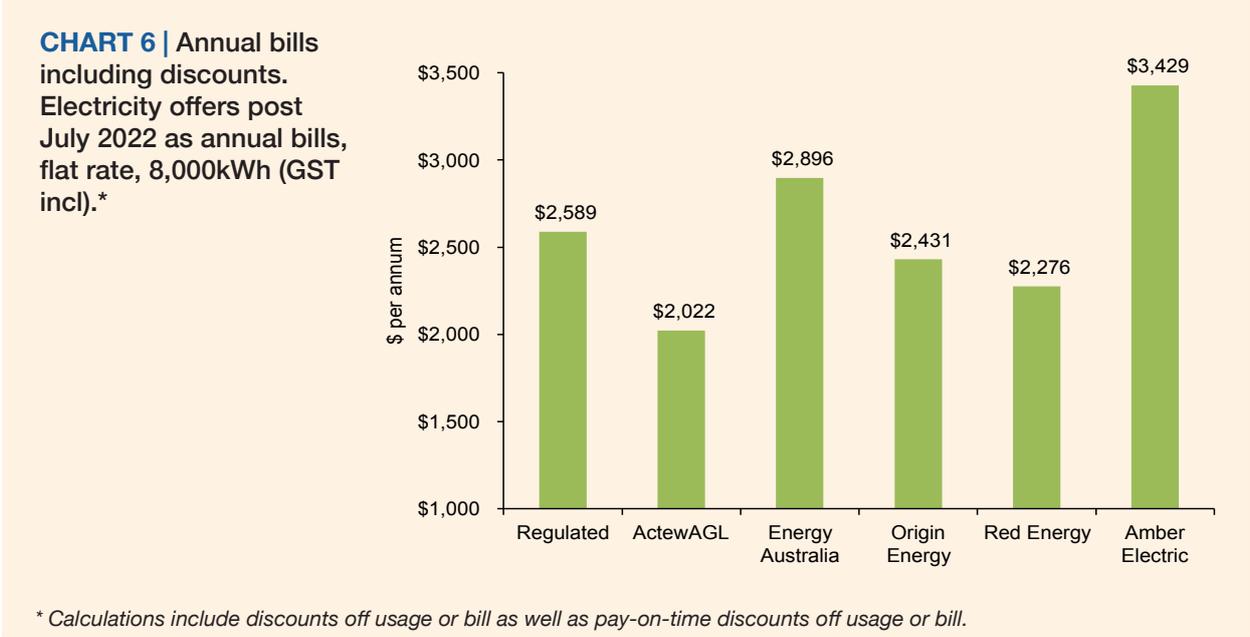


As stated above, the calculations for the market offers in charts 4 and 5 are based on rates only (cost per kWh and fixed charges) and do not include other market offer features such as discounts on consumption rates and welcome credits.

Consumers assessing market offers should take these additional features into account as well as being aware of contract conditions such as late payment fees, the length of the contract, potential fees for exiting the contract early as well as shorter billing cycles.

<sup>10</sup> Amber Electric do not offer controlled load tariffs.

Chart 6 below shows annual bills after including additional guaranteed discounts and conditional pay-on-time discounts. It shows that average consumption (8,000kWh) households currently on ActewAGL’s regulated rate can save around \$570 per annum by switching to ActewAGL’s market offer. On the other hand, households currently on the regulated rate would be around \$840 per annum better off than those on Amber Energy’s market offer. On average, a market offer bill (inclusive of discounts) is around \$2,610 for households based on the assumed consumption level, which is an increase of \$390, or 18%, since last year (July 2021). It should be noted that the highest offer (Amber Electric) is an outlier and alone adds around \$200 to the 2022 average price. If we exclude Amber Electric from the average market offer in both July 2021 and July 2022 the average increase is 11%.



The discounts used to estimate the annual bills for chart 6 above are shown in table 2 below. Table 2 also shows other contract terms and features associated with these market offers. Several retailers have multiple market offers and the offers with the best rates/discounts that do not require direct debit arrangements have been included here. In recent years many electricity retailers have moved away from pay-on-time discounts to offer a guaranteed discount or no discount at all. This trend has intensified in July 2022 and no electricity retailer currently offers a discounted market offer.

There is also one retailer (Amber Electric) that has an offer that includes a membership fee. When analysing offers that include a membership fee, we have added this amount to the fixed supply charge.

**TABLE 2 |** Published electricity market offers taking effect after 1 July 2022: key additional features and contract conditions.

| Retailer                | Name                | Guaranteed discount | Pay-on-time discount | Contract term/benefit period | LPF* | ETF* | Shortened billing cycle <sup>^</sup> | Effective from |
|-------------------------|---------------------|---------------------|----------------------|------------------------------|------|------|--------------------------------------|----------------|
| <b>ActewAGL</b>         | Simple Saver        | No                  | No                   | Ongoing                      | \$15 | No   | No                                   | 5/7/22         |
| <b>Energy Australia</b> | Flexi Plan          | No                  | No                   | 12 months                    | \$12 | No   | No                                   | 1/7/22         |
| <b>Origin Energy</b>    | Go Variable         | No                  | No                   | 12 months                    | \$12 | No   | No                                   | 1/7/22         |
| <b>Red Energy</b>       | Living Energy Saver | No                  | No                   | No                           | \$0  | No   | No                                   | 11/7/22        |
| <b>Amber Electric</b>   | Amber Plan          | No                  | No                   | No                           | \$16 | No   | Yes                                  | 1/7/22         |

\* ETF = Early Termination Fee and LPF = Late Payment Fee. (Note that it is often unclear whether retailers actually apply a LPF as information on the retailers' website may be different to their Price and Product Information Statements.)

<sup>^</sup> If yes, the offer has a mandatory shortened billing cycle (monthly billing)

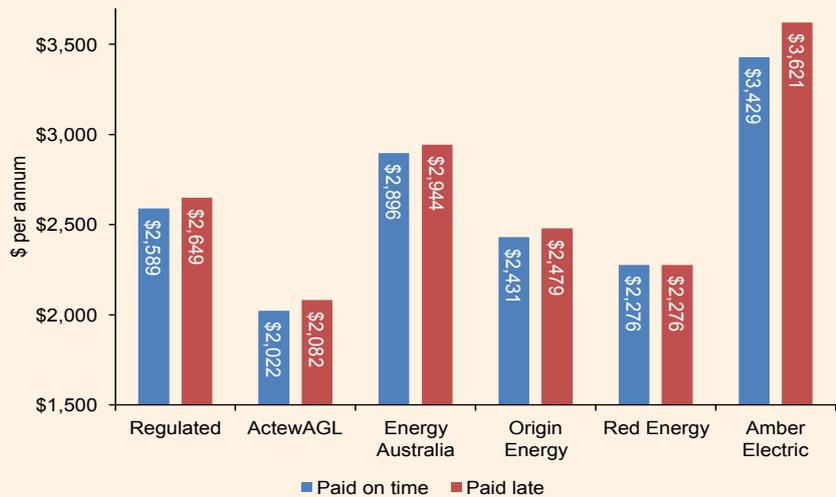
Figure 1 below shows estimated annual bills for market offers post discounts as well as how they ranked compared to other retailers.

**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 (single rate)

|   |                  |                |
|---|------------------|----------------|
|  | ActewAGL         | <b>\$2,022</b> |
|  | Red Energy       | <b>\$2,276</b> |
|  | Origin Energy    | <b>\$2,431</b> |
|  | Energy Australia | <b>\$2,896</b> |
|  | Amber Electric   | <b>\$3,429</b> |

In previous years, pay-on-time discounts have been a common feature of energy market offers across Australia. Pay-on-time discounts combined with late payment fees also meant that ACT households could be severely penalised for late payment. Since July 2019, however, the size of the pay-on-time discounts, as well as the number of offers featuring these conditional discounts, have reduced and, as referred to above, there are currently no pay-on-time discounts associated with the retailers' best market offers in the ACT. The maximum difference between bills that are paid on time and bills that are paid late is currently \$192 per annum. This reflects Amber Electric's offer which includes mandatory monthly billing and a late payment fee of \$16.

**CHART 7 |** Estimated annual bill for customers that pay on time versus pay late, electricity offers as of July 2022, Flat rate, 8,000kWh (GST incl).\*

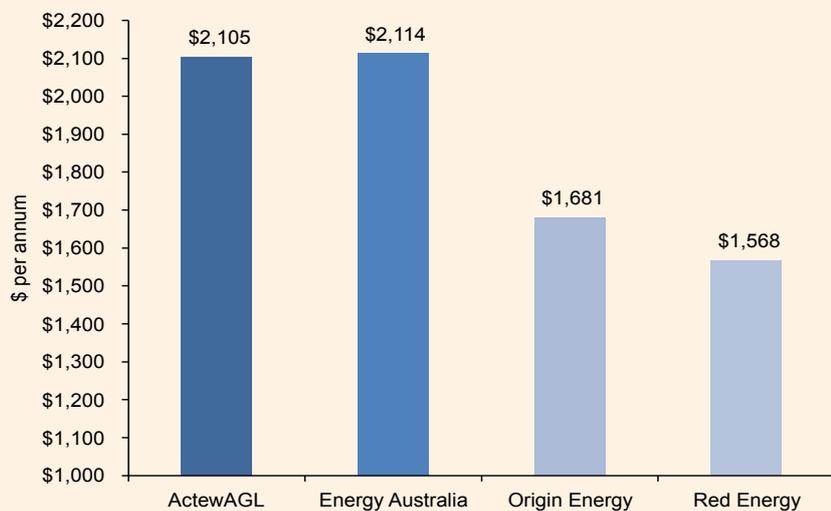


\* Annual bill calculation based on a quarterly or monthly billing cycle (as per table 2) and includes discounts and late payment fees as per energy offer.

## 2.2 Gas market offers post July 2022<sup>11</sup>

There are no regulated gas offers in the ACT and only Energy Australia, Origin Energy, Red Energy and ActewAGL currently have gas market offers for residential consumers. Chart 8 below shows that Red Energy has the lowest rates while Energy Australia's rates are highest (excluding additional discounts).

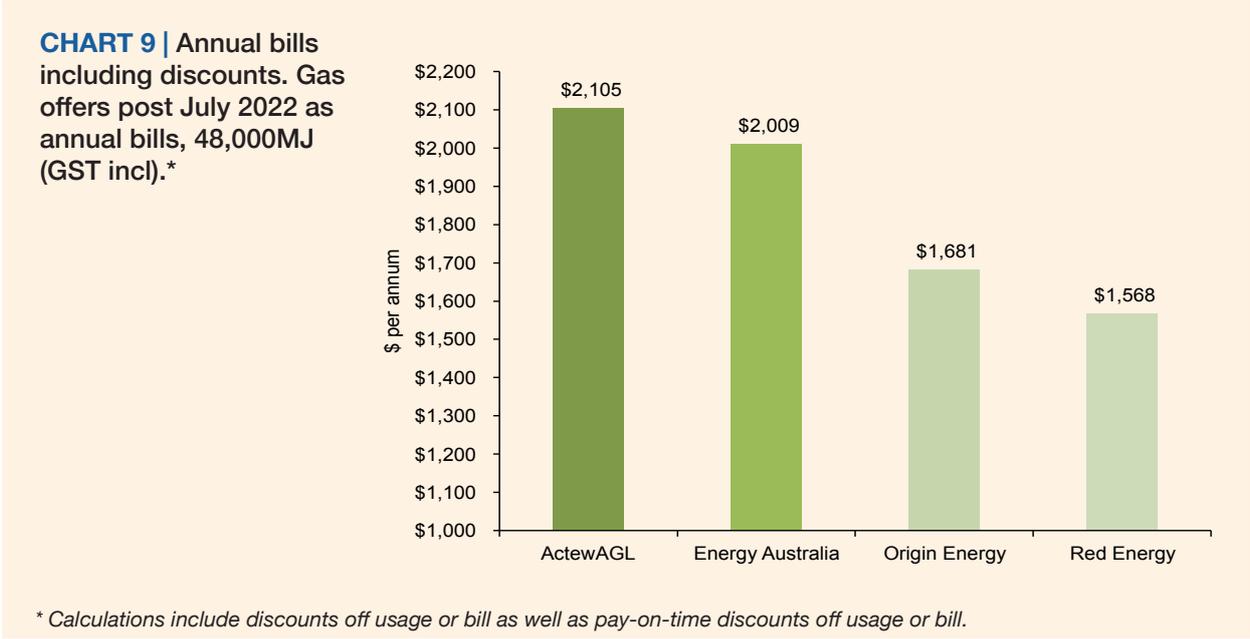
**CHART 8 |** Gas offers post July 2022, as annual bills (48,000MJ per annum).



However, the calculations for the above market offers are based on their rates only (cost per MJ and fixed charges) and do not include other market offer features such as guaranteed discounts. Customers assessing gas market offers should take additional features into account as well as being aware of contract conditions such as late payment fees, the length of the contract and fees for exiting the contract early.

<sup>11</sup> These market offers were collected from the retailers' websites or from Energy Made Easy on the 12th of July 2022. The effective from date for these offers is listed in Table 3. It should be noted that retailers can change their rates at any time.

Chart 9 below shows annual bills after including additional discounts. It shows that only Energy Australia currently discounts their offer. This produces a saving of around \$100 per annum and brings Energy Australia’s rates marginally below those of ActewAGL.



The discounts used to estimate the annual bills for chart 9 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.

**TABLE 3 | Published gas market offers post July 2022: Key additional features and contract conditions.**

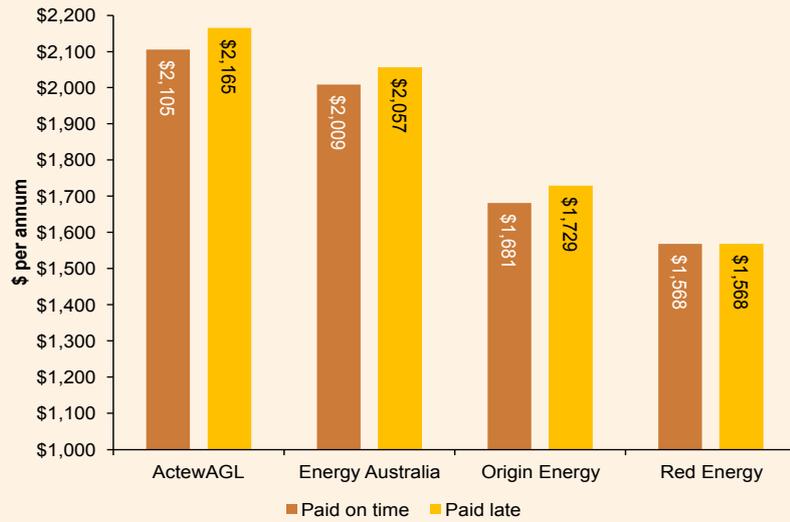
| Retailer              | Name                | Guaranteed discount | Pay-on-time discount | Contract term/benefit period | LPF* | ETF* | Effective from |
|-----------------------|---------------------|---------------------|----------------------|------------------------------|------|------|----------------|
| ActewAGL <sup>^</sup> | Home Plan           | No                  | No                   | No                           | \$15 | No   | 1/7/22         |
| EnergyAustralia       | Flex Plan           | 5% off bill         | No                   | 12 months                    | \$12 | No   | 1/7/22         |
| Origin Energy         | Go Variable         | No                  | No                   | 12 months                    | \$12 | No   | 1/7/22         |
| Red Energy            | Living Energy Saver | No                  | No                   | No                           | \$0  | No   | 1/7/22         |

<sup>^</sup>ActewAGL has another gas product that offers lower rates, however, as this product is offered as dual fuel only, we have used the Home Plan for this analysis.

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

As there are no retailers with pay-on-time discounts the difference between paying gas bills on time versus late reflects the late payment fees charged by the retailers only. Chart 10 below shows the estimated annual gas bill for customers that always pay on time versus customers that always pay late.

**CHART 10 |** Estimated annual bill for customers that pay on time versus pay late, gas offers post July 2022, 48,000MJ (GST incl).\*



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

The difference between the best and the worst gas market offer is significant. Red Energy’s offer is almost \$540 less than ActewAGL’s market offer post discounts for households with this consumption level. Figure 2 below shows estimated annual bills for market offers post discounts as well as how they ranked compared to other retailers.

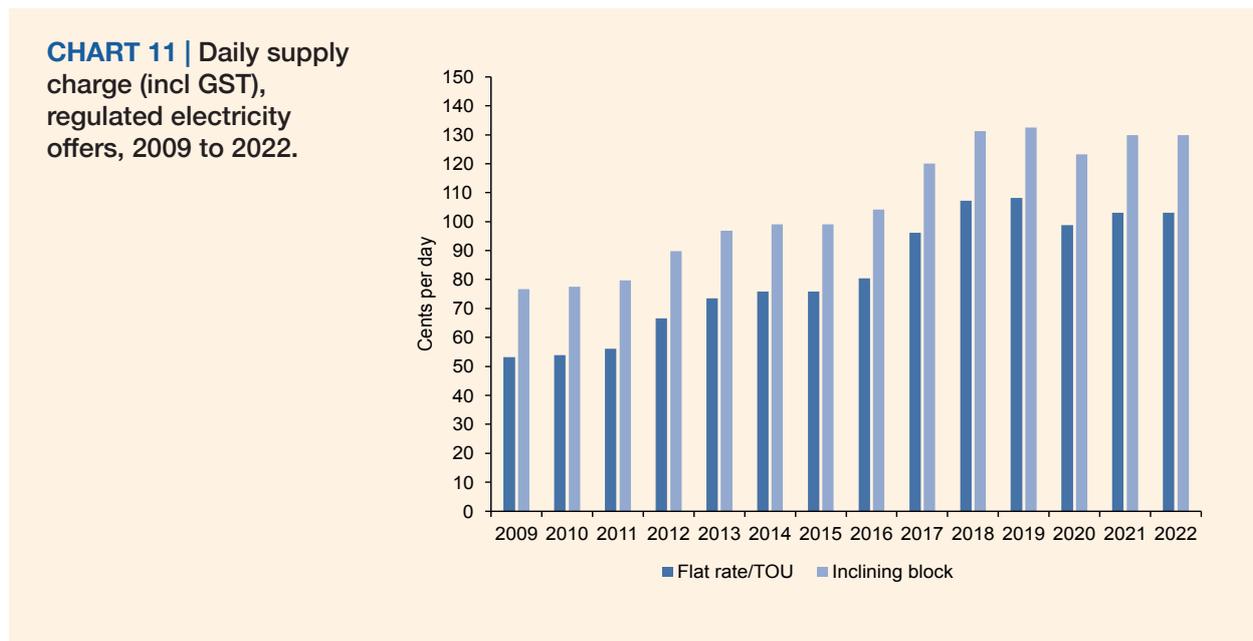
**FIGURE 2 |** Lowest to highest annual bills (incl GST) for market offers post July 2022, including discounts and pay-on-time discounts: households consuming 48,000MJ per annum.

|   |                  |         |
|---|------------------|---------|
|  | Red Energy       | \$1,568 |
|  | Origin Energy    | \$1,681 |
|  | Energy Australia | \$2,009 |
|  | ActewAGL         | \$2,105 |

### 3. Supply charges

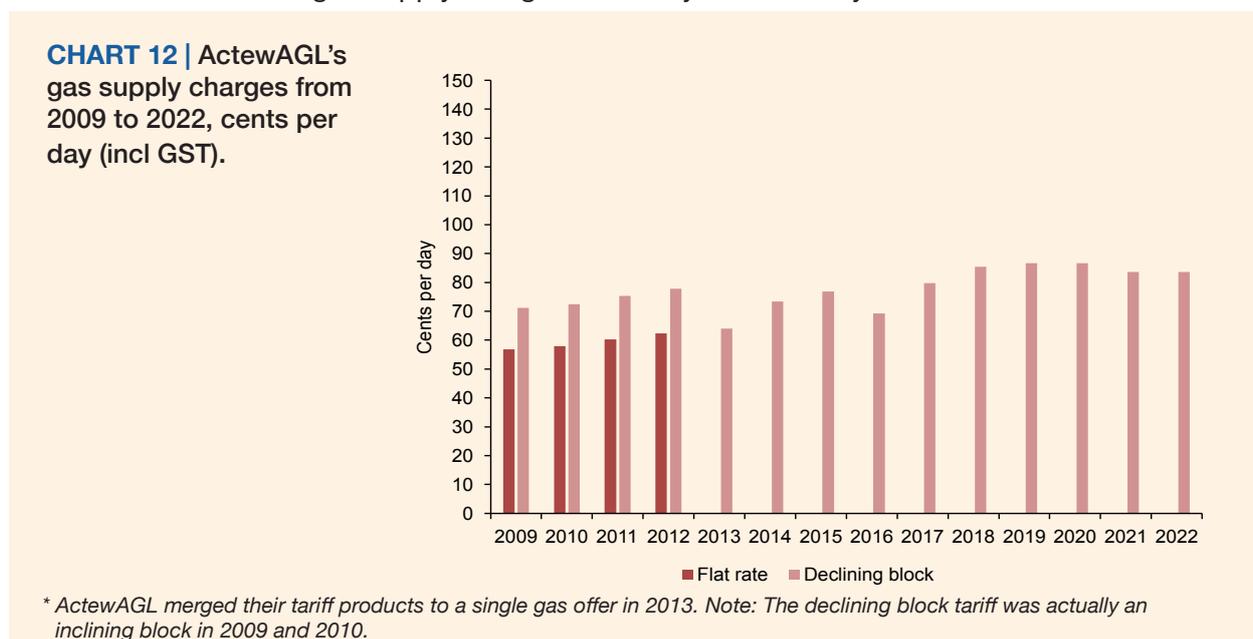
#### 3.1 Electricity supply charges

The supply charge is a fixed daily charge that is paid in addition to the consumption charges for electricity used. In the ACT the supply charge for electricity customers on the flat rate (and the less common TOU rate) has increased by 94% since July 2009, while the overall higher supply charge for the inclining block tariff has increased by around 69%. In the July 2022 price-set the regulated supply charge for flat rate, TOU and inclining block tariff customers remained static. Customers on the flat rate or a TOU tariff will continue to pay just over \$375 per annum in fixed supply charges while customers on the inclining block tariff will pay close to \$475. Chart 11 below shows the changes to the daily supply charges for regulated electricity rates from July 2009 to July 2022.



#### 3.2 Gas supply charges

ActewAGL’s gas supply charge did not change in July 2022, following a small decrease in July 2021. ACT households currently pay \$305 per annum in order to be connected to natural gas. Chart 12 below shows gas supply charges from July 2009 to July 2022.



## 4. Network Charges

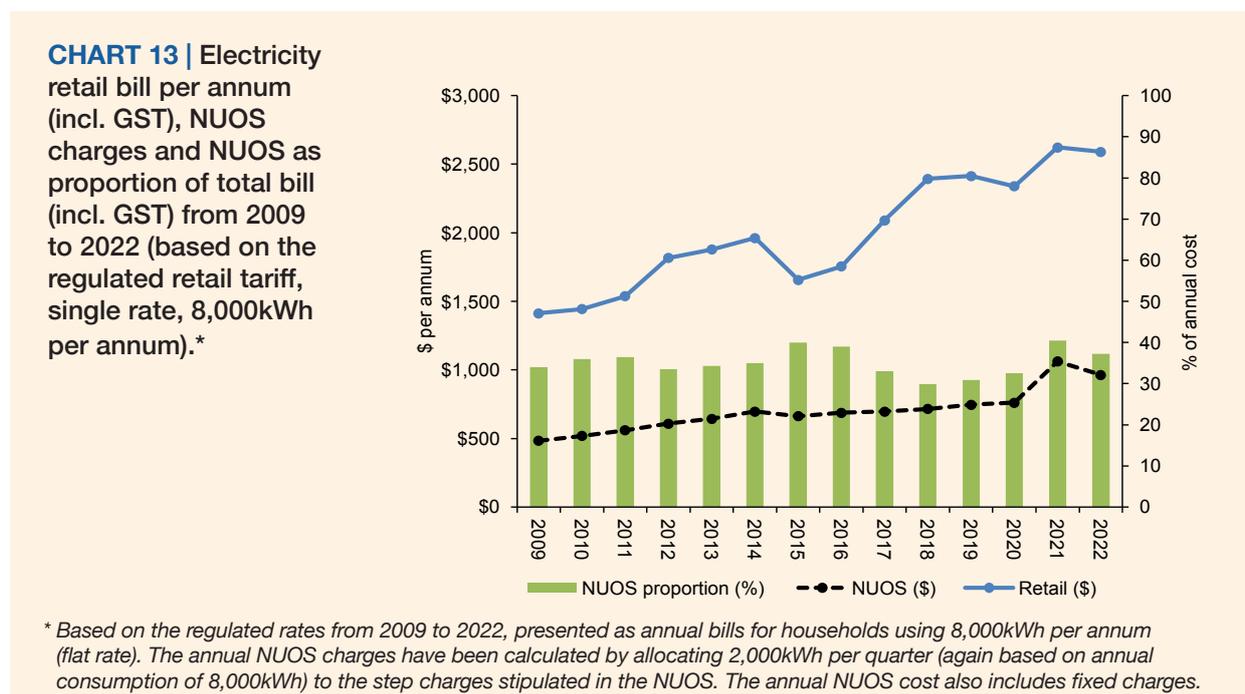
This section examines changes to electricity network charges since 2009 and gas distribution charges since 2020.

### 4.1 Electricity network charges

The ACT electricity network, Evoenergy, introduces 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) as well as other costs such as jurisdictional charges, and in some cases, metering charges. The retailers can, and generally will, build changes to the NUOS (in relation to both shape and price) into their market retail tariffs. As the ACT also has a regulated retail offer, the Independent Competition and Regulatory Commission (ICRC) also changes the regulated retail rate to reflect changes to the NUOS.

Chart 13 shows annual retail bills (solid line), NUOS charges as annual cost (dotted line) and NUOS as proportion of annual bill (columns).

It shows that both the NUOS charge and the standing offer retail bill decreased in July 2022 (the NUOS decreased by \$100 or 9%) and that the NUOS as a proportion of the bill has gone from 40% to 37%. Since July 2015, the NUOS has included a metering non-capital charge (as part of the fixed supply charge) and if we exclude the metering non-capital charge from the NUOS, the NUOS is \$945 per annum in 2022 (instead of the \$963 indicated in the chart below).<sup>12</sup>

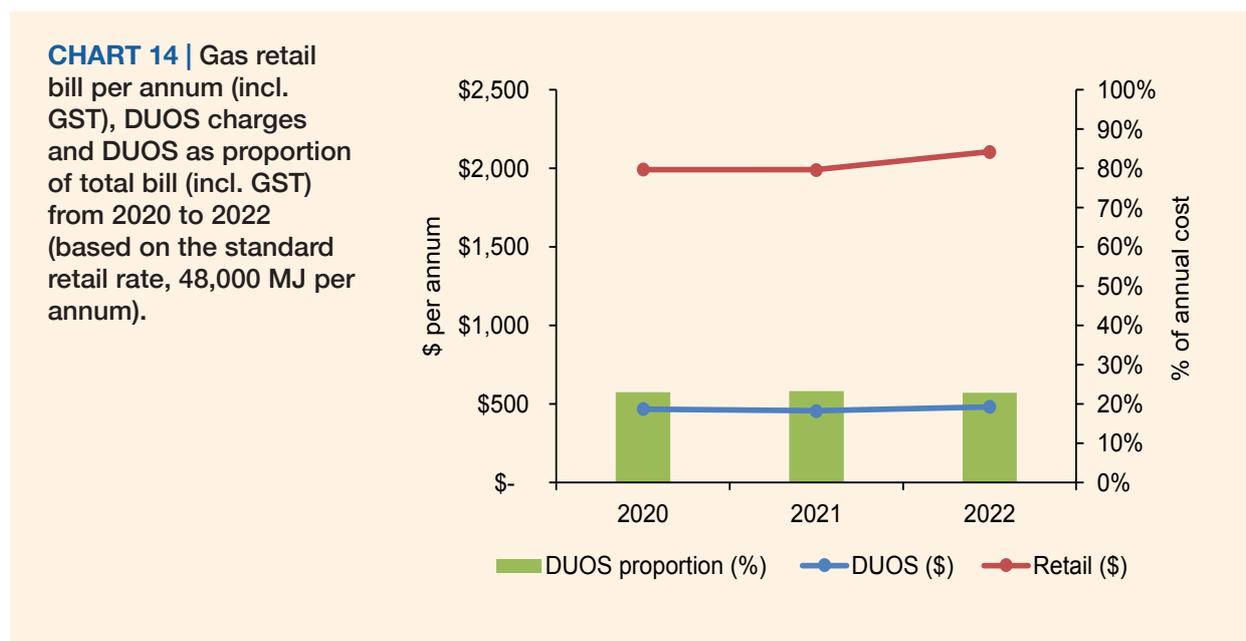


<sup>12</sup> Evoenergy has two types of metering charges: the metering non-capital charge (currently 4.72 cents/day ex-GST) and the metering capital charge (9.61 cents/day ex-GST). See Evoenergy's Schedule of electricity charges for details about households that pay metering non-capital and/or metering capital charges. Note that the cost of jurisdictional schemes (such as 'green' schemes) are not included in these NUOS charges.

## 4.2 Gas distribution charges

As for electricity, the ACT gas distributor, EvoEnergy, introduces new Distribution Use of System (DUOS) charges as of 1 July every year. A new addition to the Tariff-Tracking project in 2020 was to analyse changes to gas DUOS charges. In the EvoEnergy network, the current DUOS charge for households using 48,000MJ is \$480 per annum and it has increased by 5% since last year (July 2021). The DUOS proportion of gas retail bills has remained the same at 23%.<sup>13</sup>

Chart 14 shows annual retail bills (red line), DUOS charges as annual cost (blue line) and DUOS as proportion of annual bill (columns).



<sup>13</sup> Based on ActewAGL's gas offer as of July 2022. Presented as annual bills for households using 48,000 MJ per annum

## 5. Solar offers<sup>14</sup>

There are approximately 38,300 small and medium scale solar systems in the ACT.<sup>15</sup> Customers looking for solar electricity retail offers should assess both the retailers' Feed in tariff (FIT) rates as well as the cost of electricity imported.

This section analyses and compares market offer bills for ACT customers with 1.5kW and 3kW systems installed.<sup>16</sup> 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 1.5kW and 3kW systems only.
- | An annual generation capacity per kW installed of 1.801MWh and an export rate of 55.1% for 3kW systems and 27.3% for 1.5kW systems.
- | Only FIT rates available to new customers have been included. Retailer funded FIT rates have been applied as per offer (see table 4 below).
- | For tariffs with controlled load, 30% of the total load has been allocated to the off-peak rate.
- | For TOU tariffs, 20% of the load has been allocated to the peak rate, 30% to the off-peak rate and 50% to the shoulder 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.

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<sup>14</sup> These market offers were collected from the retailers' websites or from Energy Made Easy between the 10th and 14th of July 2022. It should be noted that retailers can change their rates at any time.

<sup>15</sup> Clean Energy Council, Clean Energy Australia Report 2022, 76.

<sup>16</sup> 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.

Table 4 below shows that FIT rates range from zero to 10 cents per kWh. Based on the assumptions listed above, a household with a 3kW solar system installed will receive approximately \$300 per annum in FIT credits from ActewAGL, Energy Australia and Origin Energy, \$180 from Red Energy and zero from Amber Electric.

**TABLE 4 | Retailers' FIT rates as of July 2022.**

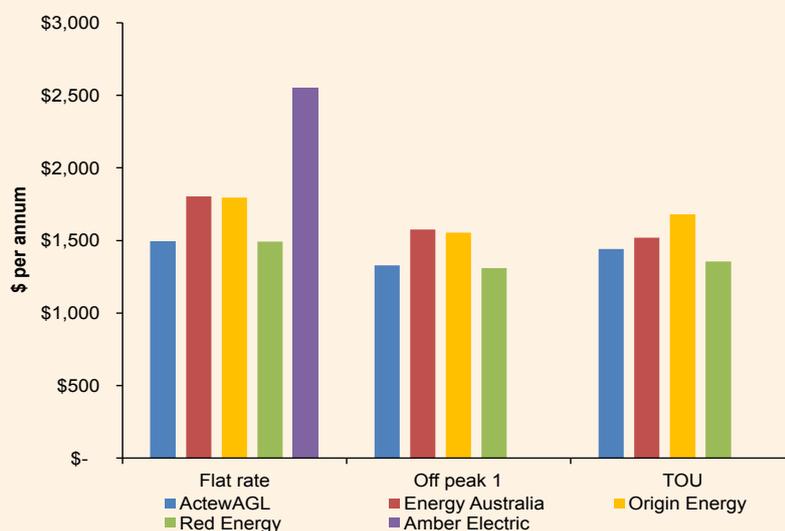
| Retailer                         | FIT rate (c/kWh) |
|----------------------------------|------------------|
| ActewAGL – Solar Plus            | 10               |
| Energy Australia – Solar Max     | 10               |
| Origin Energy – Solar Boost      | 10*              |
| Red Energy – Living Energy Saver | 6                |
| Amber Electric – Amber Plan      | 0                |

\* For the first 1274 kWh exported each quarter. Export after that attracts a 8c FIT

The average annual bill is approximately \$1,830 for households with 3kW systems and \$2,145 for households with 1.5kW systems installed. This means that the average annual bill is around \$780 less for solar households with 3kW systems installed compared to non-solar households (see section 2.1 above).<sup>17</sup> Compared to last year, the average market offer for solar customers (3kW systems) has increased by approximately \$350 or 24%.<sup>18</sup> As is the case with non-solar offers, Amber Electric's offer is significantly higher than the other retailers and increases the average annual bill accordingly.

Based on the assumptions outlined above, solar customers on a flat electricity rate with a 3kW system installed would pay approximately \$1,050 less per annum on Red Energy's offer compared to Amber Electric's offer (see chart 15).

**CHART 15 | Annual bills including discounts and FIT credits for customers with a 3kW solar system. Electricity offers post July 2022 as annual bills, Flat rate, Off peak 1 and ToU, 8,000kWh (GST incl).\***



\* Calculations include discounts off usage or bill as well as pay-on-time discounts off usage or bill.

17 This comparison is based on the average market offer for non-solar customers (inclusive of discounts) and the average market offer for solar customers (inclusive of discounts) using 8,000kWh per annum (flat rate).

18 For non-solar households, the increase is \$390 or 18%. See section 2.1.

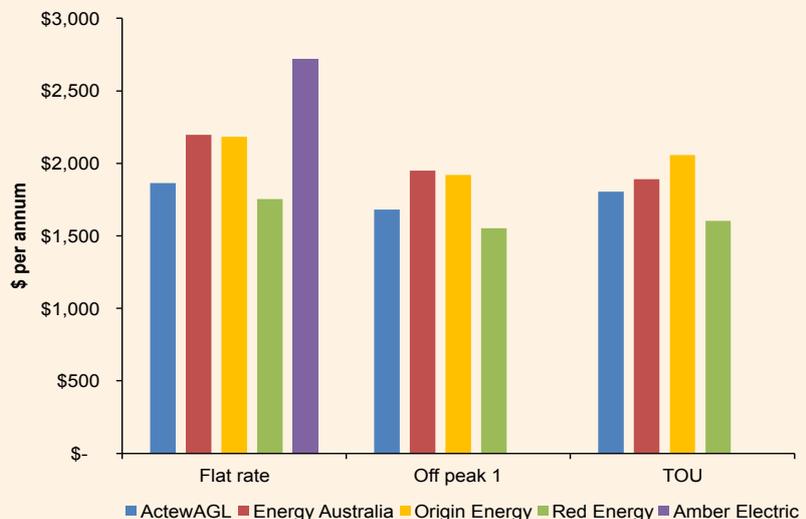
Figure 3 below shows estimated annual bills for market offers (flat rate) post discounts as well as how they ranked compared to other retailers.

**FIGURE 3 |** Lowest to highest annual bills (incl GST) for solar market offers post July 2022, including FIT credits, discounts and pay-on-time discounts: households consuming 8,000kWh per annum (single rate), 3kW system.

|   |                  |         |
|---|------------------|---------|
|  | Red Energy       | \$1,493 |
|  | ActewAGL         | \$1,495 |
|  | Origin Energy    | \$1,796 |
|  | Energy Australia | \$1,805 |
|  | Amber Electric   | \$2,551 |

Households with the same consumption level and a 1.5kW system installed can expect to receive approximately \$75 in FIT credits per annum from ActewAGL, Energy Australia and Origin Energy, \$45 from Red Energy and zero from Amber Electric. Amber Electric’s annual bill is the most expensive and Red Energy’s is the least expensive (based on the assumptions outlined above). The difference between these two offers is approximately \$965 per annum (see chart 16).

**CHART 16 |** Annual bills including discounts and FIT credits for customers with a 1.5kW solar system. Electricity offers post July 2022 as annual bills, Flat rate, Off peak 1 and ToU, 8,000kWh (GST incl).\*



\* Calculations include discounts off usage or bill as well as pay-on-time discounts off usage or bill.