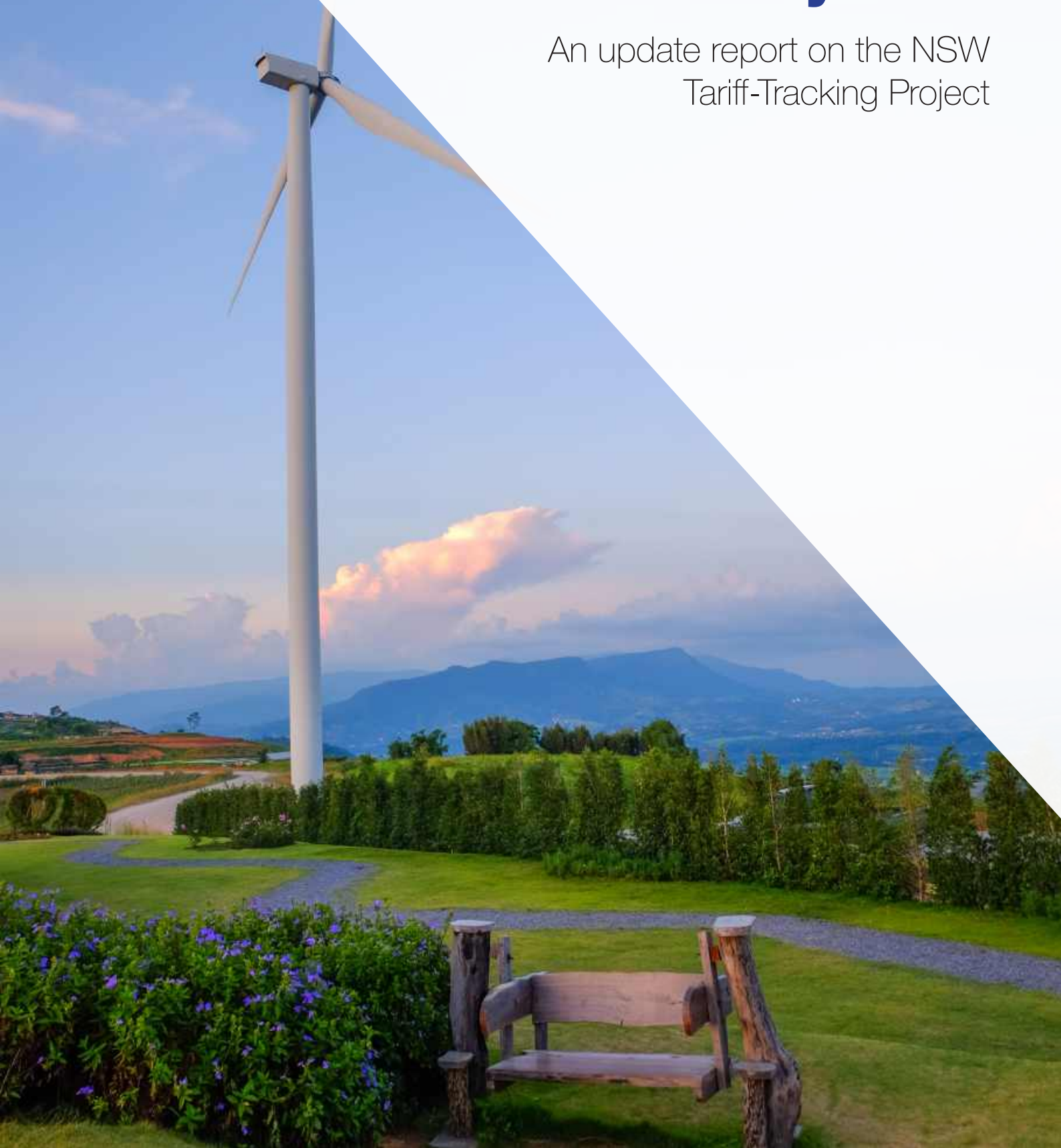




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NSW Energy Prices July 2020

An update report on the NSW
Tariff-Tracking Project



New South Wales Energy Prices July 2020
An update report on the NSW Tariff-Tracking Project

May Mauseth Johnston, September 2020
Alviss Consulting Pty Ltd



www.alvissconsulting.com

twitter.com/AlvissC



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www.vinnies.org.au

twitter.com/VinniesAust

Contact: Gavin Dufty
Manager, Social Policy Unit Victoria
St Vincent de Paul Society
Phone: (03) 98955816 or 0439 357 129
twitter.com/gavinduffy

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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 Australian Energy Regulator's "[Energy Made Easy](#)" website or contact the energy retailers directly.

Acknowledgments

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

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The NSW Tariff-Tracking Project

To date, this project has tracked electricity and gas tariffs in NSW from July 2009 to July 2020, and developed a spreadsheet-based tool that allows consumer advocates to build on the initial analysis and continue to track changes as they occur.¹ The first report for the NSW Tariff-Tracking project was published in August 2011 and this is the eight up-date report focusing on price changes that have occurred over the last year. 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.

We have developed five workbooks that allow the user to enter consumption levels and analyse household bills for NSW gas and electricity offers.

Workbook 1: Regulated electricity offers July 2008 – July 2020

Workbook 2: Regulated gas offers July 2009 – July 2020

Workbook 3: Electricity market offers July 2011 – July 2020²

Workbook 4: Gas market offers July 2011 – July 2020

Workbook 5: Solar market offers July 2016 – July 2020

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 The regulated electricity offers workbook also contains the 2008 rates

² 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 to collect market offer 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 NSW tariff analysis found that:

- ▲ The **DMO price is lower than all of the standing offers that the incumbent retailers (Energy Australia and Origin) offered in 2018/19**. The DMO price is also slightly lower compared to last year (except for the single rate tariff in the Essential Energy network). **See charts 1 and 2 in section 1 below.**³
- ▲ The **maximum price spread (the difference between the best and the worst DMO) is highest in Essential at \$220. In Endeavour the price spread is \$145 and in Ausgrid it is \$150.**⁴ The maximum price spread between DMO offers is significantly lower than last year when the difference was between \$450 and \$500 (depending on network area). **See chart 5 in section 1 below.**
- ▲ **Gas prices remained unchanged in Sydney (AGL/Jemena) post July 2020 where an annual bill continues to be will be around \$1,090 per annum for households using 24,000 MJ.**⁵ In the gas zones where Origin is the incumbent retailer, **standing offer prices have reduced by between 0.5 to 5%.** In ActewAGL's Boorowa/Capital Region gas zone, standing offer customers have received a price decrease of 6% while they have remained unchanged in Queanbeyan and Shoalhaven.⁶ **See table 3 in section 1.**
- ▲ **Households with typical electricity consumption (7,200kWh/annum) can save \$640 - \$720 per annum (depending on their network area) if switching from the incumbent retailer's standing offer to the best market offer.**⁷ **See section 2.1.**
- ▲ **The average electricity market offer (including guaranteed and pay on time discounts) produces an annual bill of \$2,370 in the Essential Energy network, \$2,030 in Ausgrid and \$2,015 in Endeavour.**⁸ **See section 2.1.**
- ▲ In July 2020, **the average market offer for households consuming 7,200 kWh per annum decreased by -6% in Essential, decreased by -8% in Endeavour and decreased by -9% in Ausgrid.**⁹ **See section 2.1.**
- ▲ The difference between electricity market offers continues to be significant. **The difference between the single best and the single worst market offer ranges from \$745 (in Ausgrid's area) to \$890 (in Essential's area) for customers with typical consumption levels.**¹⁰ **See section 2.1.**
- ▲ **Typical consumption gas customers in Jemena's Sydney price zone can potentially save \$385 on their annual gas bill (including pay on time discounts) by switching from AGL's standard offer to the best market offer.**¹¹ **See section 2.2.**
- ▲ **Compared to electricity offers, the difference between the best and the worst gas**

3 Based on the incumbent retailers' standing offers as of July 2018 and the DMO for each network area. This bill comparison is based on the consumption levels used for setting the DMO price.

4 Based on a comparison of all DMO offers (single rate) for households consuming 7,200 kWh per annum.

5 Based on households consuming 24,000Mj per annum on AGL's standing offer.

6 These bill calculations are based on the incumbent retailers' published standard offer as of July 2019 and July 2020.

7 Based on the incumbent retailer's standing offer (single rate) and the best of the published market offers (including additional discounts and/or pay on time discounts).

8 Based on the average market offer (all retailers) for each network area, single rate (7,200kWh/annum) and inclusive of pay on time discounts.

9 Ibid. Post July 2020 offers compared to post July 2019 offers. Note there is a significantly higher number of retailers offering market contracts in NSW in 2020 compared to 2019.

10 Households using 7,200kWh per annum (single rate) and all market offer bills include additional discounts and/or pay on time discounts.

11 Based on the regulated offer and the best of the published market offers (including pay on time discounts).

market offers is very small. The difference between the best and the worst market offers is \$190 per annum. **See section 2.2.**

- ▲ 19 out of the 21 retailers that changed their offers between July 2019 and July 2020 in the Ausgrid network reduced their base rates.¹² Momentum and Simply Energy are the only two retailers that increased their base rates during this period. Furthermore, **in terms of bills inclusive of pay on time discounts, there are also only two retailers that have offers that produce higher bills post July 2020 compared to last year.** This is a significant change compared to last year when many retailers reduced their discounts as well as their base rates (resulting in low overall bill reductions for many customers). **See section 3.**
- ▲ Since the introduction of the DMO in July 2019, many electricity retailers have moved away from pay on time discounts to offer guaranteed discount or no discount at all. Consequently, **the difference between the average bill (across all retailers) paid late versus on time is now low (approximately \$55 per annum).** **See section 3.**
- ▲ Retailers that still offer significant pay on time discounts are Future X Power, Diamond Energy, GloBird, and Powershop.¹³ Future X Power, for example, offers a 22% discount off the usage charges if customers pay on time and this discount, combined with a late payment fee of \$12, means that a late paying customer can be around \$525 worse off per annum in the Essential network.¹⁴ **See section 3.**
- ▲ **As of July 2020, the electricity network charges increased slightly in all network areas.** The network proportion of the retail bill is currently 30% in Ausgrid, 39% in Essential and 32% in Endeavour. **See section 4.1.**
- ▲ **For gas, the distribution charges decreased in July 2020.**¹⁵ Gas distribution charges as proportion of bills also decreased in July 2020 as the average retail bill remained unchanged while the DUOS decreased. The DUOS proportion of gas retail bills is currently 21%. **See section 4.2.**
- ▲ **The average annual bill for new solar customers** (using 7,200 kWh/annum) with 3kW systems installed **is around \$785 to \$900 less compared to non-solar customers.** **See section 5.**
- ▲ The analysis found significant variation between retailers' solar offers. **In Sydney (Ausgrid), for example, customers with a small 1.5 kW system installed may save \$430 per annum if they are on Kogan Energy's offer instead of Amaysim or Click Energy's offers.** As Amaysim and Click offer a much higher feed in tariff (FIT) of 16 cents compared to Kogan Energy's 5.53 cents, this highlights the importance of solar customers not choosing retail offers based on FIT rates alone. **See section 5.**
- ▲ Changes to energy costs are relatively low for many households as there are mostly minor adjustments to the incumbent electricity retailers' single/flat rate DMO offer and gas standing offers. **All-electric households with controlled load, on the other hand, have received more substantial price reductions in some areas.** **See section 6.**

¹² Note that this chart only includes retailers that had published market offers in July 2019 as well as July 2020, and that changed their offers over this period.

¹³ Note that Powershop's discount is not a traditional pay on time discount but customers are required to purchase special offers in advance, by a set date, in order to qualify for the discounts.

¹⁴ Based on households using 7,200 kWh per annum, single rate and inclusive of GST.

¹⁵ Based on the Jemena gas zone in greater Sydney.

1. Energy price changes¹⁶

On 1 July 2019, the Australian Energy Regulator's (AER) Default Market Offer (DMO) took effect in NSW and on 1 July 2020 the AER slightly altered the DMO price in NSW. The DMOs replace the previously retailer-set standing offers. Importantly, 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".¹⁷ The Regulations stipulate that retailers must structure their prices to not exceed the annual DMO price for that consumption level.¹⁸

The DMO prices for single rate and controlled load tariffs in NSW as well as AER's estimated median saving for customers on set consumption levels are listed in table 1 below.¹⁹

TABLE 1 | Residential DMO prices in NSW for 2020-21 (including GST)

	Ausgrid	Endeavour Energy	Essential Energy
SINGLE / FLAT RATE			
Annual bill	\$1,462	\$1,711	\$1,960
Consumption level	3,900 kWh/annum	4,900 kWh/annum	4,600 kWh/annum
CONTROLLED LOAD[^]			
Annual bill	\$2,024	\$2,165	\$2,356
Consumption level	6,800 kWh/annum	7,400 kWh/annum	6,600 kWh/annum

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

The current DMO price is lower than all of the standing offers that the incumbent retailers (Energy Australia and Origin) offered in 2018/19. Charts 1 and 2 below show changes to annual bills from July 2018 to July 2020 for households on the incumbent retailers standing offers (single rate and controlled load) in the three network areas. These bill calculations are based on the consumption levels used by the AER to set the DMO (see table 1 above).

¹⁶ These calculations are based on changes to the incumbent retailers' standing offer for single rate electricity customers using 7,200kWh per annum, changes to the incumbent retailers' standing offer for controlled load electricity customers (typically all-electric households) using 8,000kWh per annum (thereof 30% off-peak) and changes to the regulated offer for gas customers using 24,000Mj per annum.

¹⁷ AER, Default Market Offer Prices 2020-21 at <https://www.aer.gov.au/system/files/AER%20-%20Default%20Market%20Offer%20-%20Price%20determination%202020-21%20Final%20Determination%20-%20Fact%20sheet%20-%2030%20April%202020.pdf>

¹⁸ Ibid., 9

¹⁹ Ibid., 8

CHART 1 | Changes to the annual electricity bill from July 2018 to July 2020, incumbent retailers' standing offer in July 2018 and AER's DMO in July 2019 and 2020. Single rate, incl. GST and based on 3,900kWh per annum in Ausgrid, 4,900kWh in Endeavour and 4,600kWh in Essential.

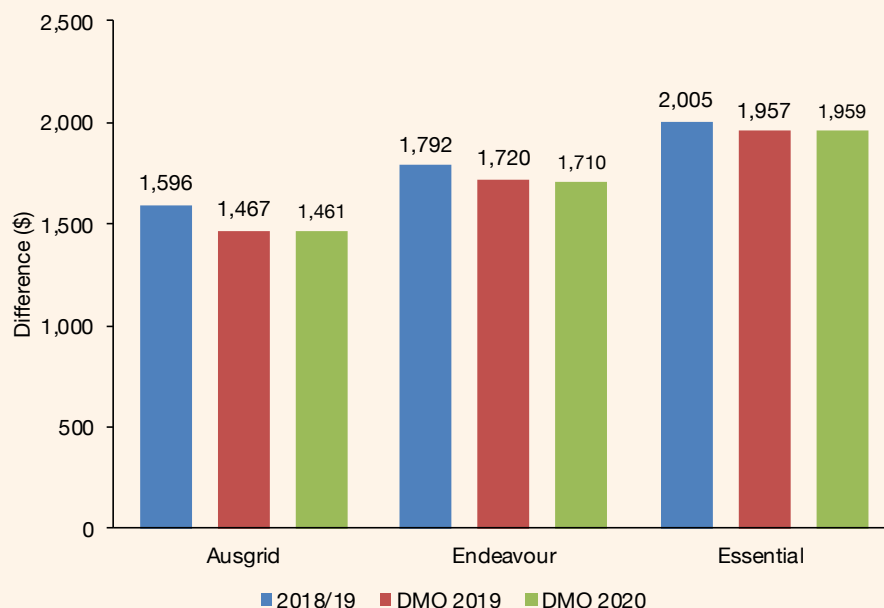
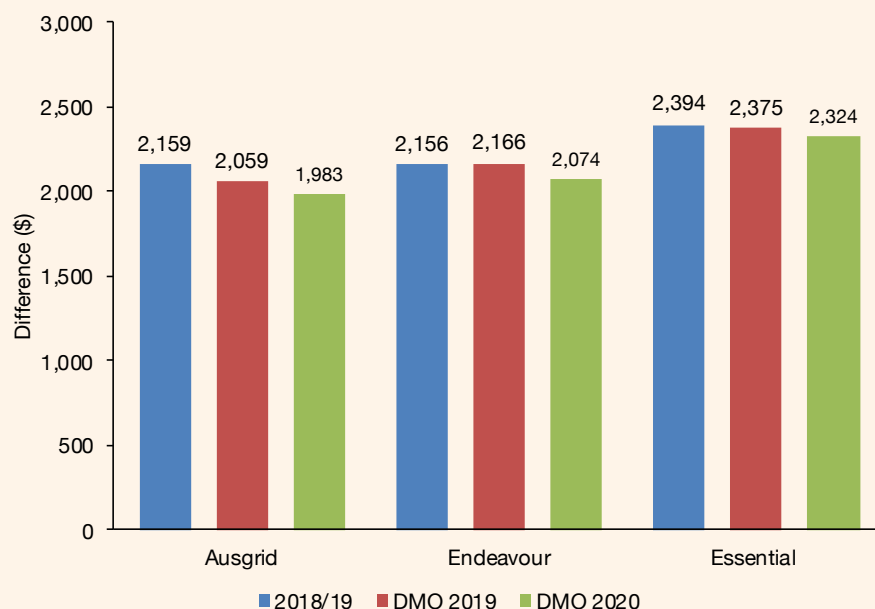


CHART 2 | Changes to the annual electricity bill from July 2018 to July 2020, incumbent retailers' standing offer in July 2018 and AER's DMO in July 2019 and 2020. Controlled load, incl. GST and based on 6,800kWh per annum in Ausgrid, 7,400kWh in Endeavour and 6,600kWh in Essential.



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 NSW. That is 7,200 kWh per annum for single rate customers and 8,000 kWh per annum for households with controlled load.

Chart 3 shows changes to the host retailers' annual bills from July 2018 to July 2020 for average consumption households (single rate) in the three network areas. It shows that Energy Australia's annual in the Ausgrid network and Origin's annual bills in the Endeavour network decreased by around \$10 while Origin's annual bills in the Essential network increased by \$5 over the last year (since July 2019).

CHART 3 | Changes to the annual electricity bill from July 2018 to July 2020, incumbent retailers' standing offer incl GST based on 7,200kWh per annum for single rate

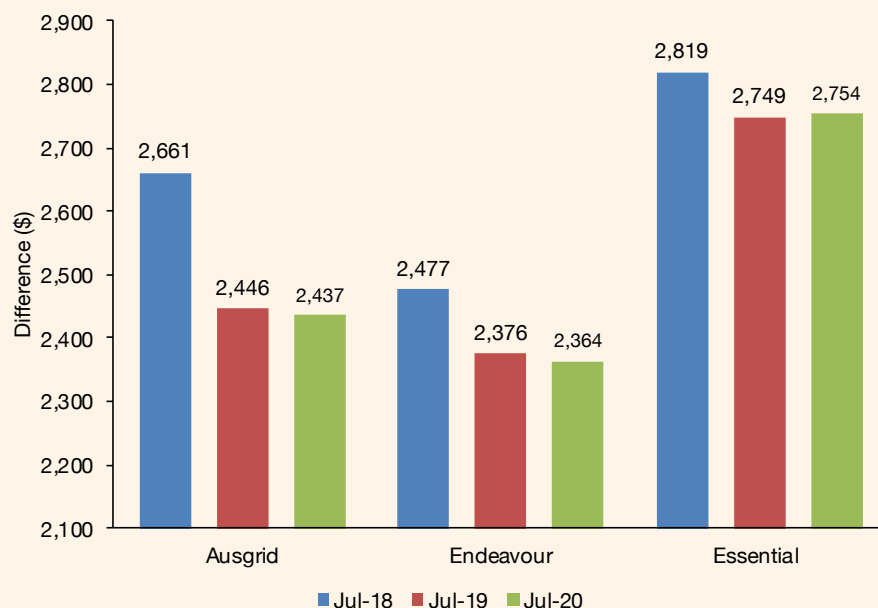


Chart 4 shows changes to the host retailers' annual bills from July 2018 to July 2020 for average consumption households with controlled load. It shows that Energy Australia's annual bill decreased by around \$15 in the Ausgrid network while Origin's annual bills increased by \$100 in Endeavour and decreased by \$65 in the Essential network.

CHART 4 | Changes to the annual electricity bill from July 2018 to July 2020, incumbent retailers' standing offer incl GST based on 8,000kWh per annum, thereof 30% controlled load

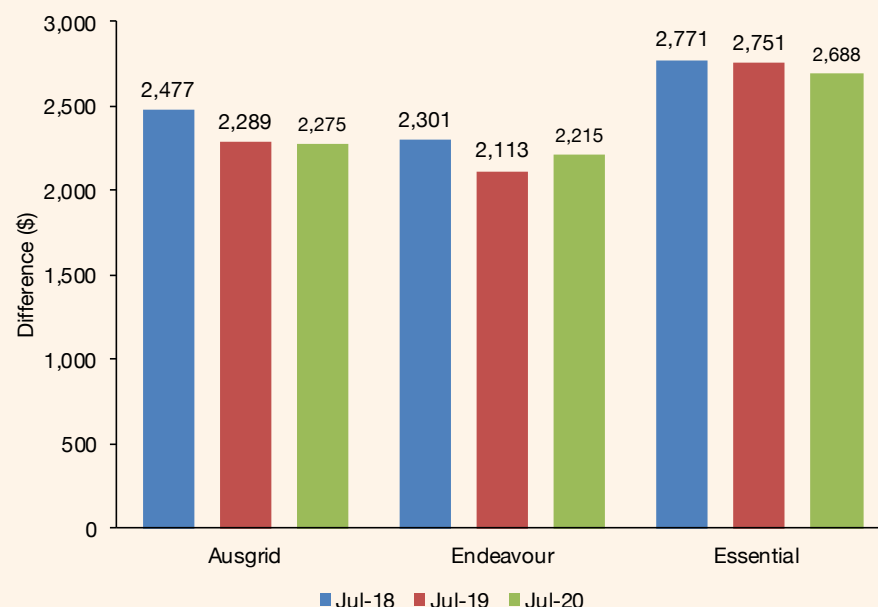
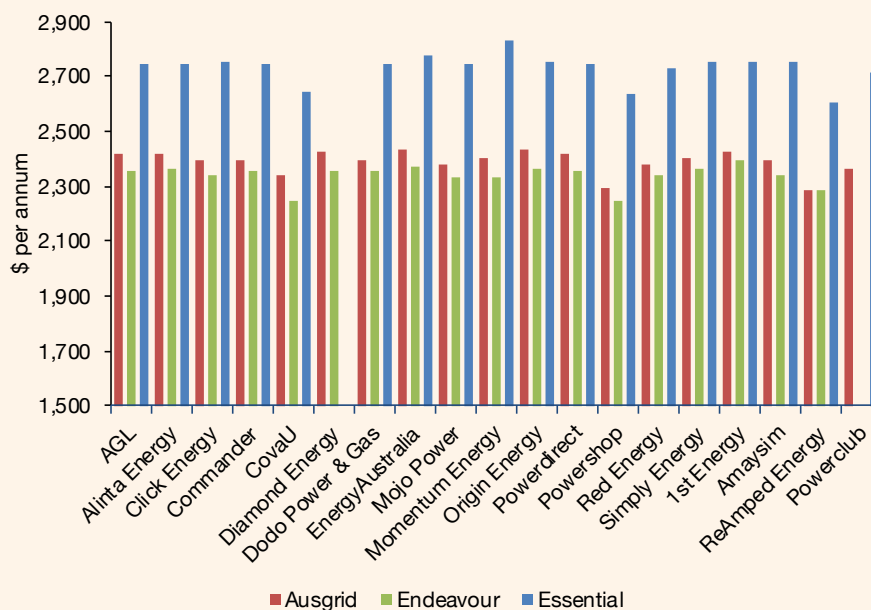


Chart 5 shows estimated annual bills for standing offer/DMO customers (single rate, 7,200kWh/annum) in each of the three network areas. The average standing offer is highest in Essential's area (approximately \$2,730) while Endeavour and Ausgrid's average standing offer are roughly \$2,340 and \$2,390 respectively. The maximum price spread (the difference between the best and the worst offer) is highest in Essential at \$220. In Endeavour the price spread is \$145 and in Ausgrid it is \$150. The maximum price spread between standing offers/DMOs is significantly less compared to the two previous years when the difference was around \$500 (in 2019) and over \$1,000 (in 2018).²⁰

²⁰ As new retailers enter the market and some retailers exit, many of the retailers included in this year's analysis did not offer electricity to NSW consumers in July 2019 and we have therefore not compared 2019 and 2020 standing offer prices across all retailers. Furthermore, Diamond Energy did not list a standing offer for the Essential network and Powerclub did not have one in the Endeavour network.

CHART 5 | Electricity standing offers as annual bills, July 2020, based on 7,200kWh per annum for single rate, incl GST.



The three standard gas retailers are AGL, ActewAGL and Origin Energy. Jemena's Sydney zone (AGL) is the largest in terms of customer numbers. Origin is the incumbent retailer in seven pricing zones while ActewAGL is in three.

TABLE 2 | Gas supply areas in NSW

NSW Gas Zones and incumbent retailers	
Jemena Sydney (AGL)	Sydney, Newcastle, Wollongong, Blue Mountains
Jemena Regional (ActewAGL)	Boroowa, Goulburn, Yass and Young
Envestra (Origin)	Cooma and Bombala
	Temora*, Holbrook, Henty, Culcairn and Walla Walla
	Tumut and Gundagai
	Wagga Wagga and Uranquity
	Albury, Moama and Jindera
	Murray Valley Towns
Central ranges (Origin)	Tamworth
ActewAGL (ActewAGL)	Queanbeyan and Bundgendore
	Shoalhaven

* Temora has been under the same pricing zone as Holbrook, Henty etc. since July 2013

The difference between winter and summer consumption will vary significantly from household to household (depending primarily upon usage of gas space heating). The charts below do not adjust for increased winter consumption but assume consistent consumption levels throughout the year. Because of the seasonality of gas consumption and gas tariffs the annual bill calculations presented in this report are indicative only, and their primary purpose is to track changes over time and analyse differences between gas zones.

Gas prices remained unchanged in Sydney (AGL/Jemena) post July 2020 where an annual bill continues to be will be around \$1,090 per annum for households using 24,000 MJ.²¹ In the gas zones where Origin is the incumbent retailer, standing offer prices have reduced by between 0.5 to 5%. In ActewAGL's Boorowa/Capital Region gas zone, standing offer customers have

21 Based on households consuming 24,000Mj per annum on AGL's standing offer.

received a price decrease of 6% while they have remained unchanged in Queanbeyan and Shoalhaven.²²

Charts 6 and 7 below show annual gas bills for the regional gas zones based on the incumbent retailer’s standard offer as of July 2019 and July 2020.

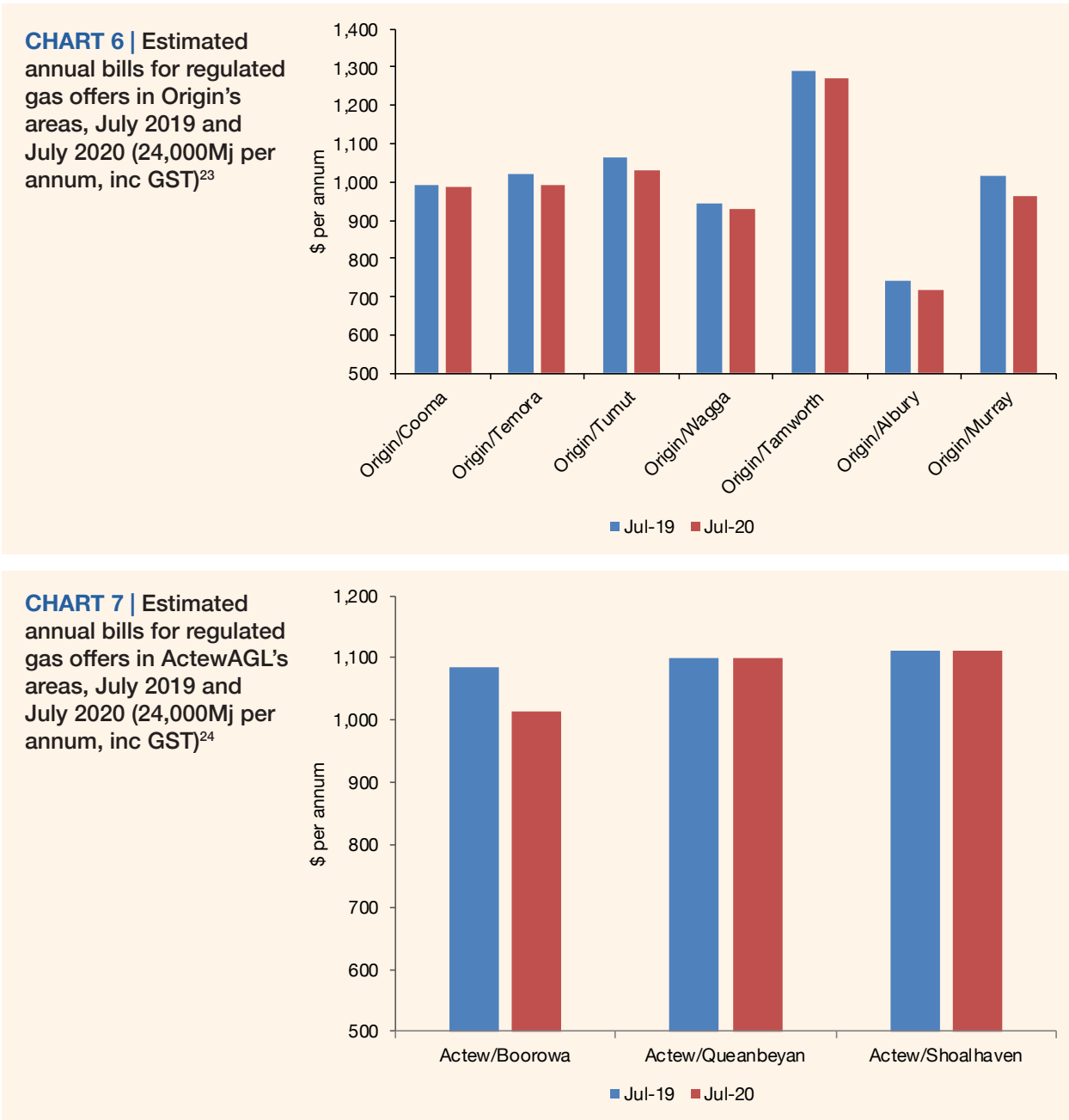


Table 3 below summarises the price trends for NSW gas offers. For more detailed information about the areas and differences in energy price changes see section 5.

22 These bill calculations are based on the incumbent retailers’ published standard offer as of July 2019 and July 2020.

23 Note: The Cooma zone includes Bombala. The Henty zone includes Holbrook, Culcairn, Temora and Walla Walla. The Tumut zone includes Gundagai. The Wagga Wagga zone includes Uranquity. The Albury zone includes Moama and Jindera. The Murray Valley zone covers Murray Valley towns.

24 Note: The Boorowa zone includes Goulbourn, Yass and Young. The Queanbeyan zone includes Bungendore.

TABLE 3 | Changes to gas prices by area July 2019 – July 2020²⁵

Area	Changes to annual bill since July 2019	Percentage
Sydney, Newcastle, Wollongong, Blue Mountains (AGL)	\$0	0%
Cooma and Bombala (Origin)	-\$5	-0.5%
Temora, Holbrook, Henty, Culcairn and Walla (Origin)	-\$30	-3%
Tumut and Gundagai (Origin)	-\$30	-3%
Wagga Wagga and Uranquity (Origin)	-\$15	-2%
Tamworth (Origin)	-\$20	-1%
Boroowa, Goulburn, Yass and Young (ActewAGL)	-\$70	-6%
Queanbeyan and Bundgondore (ActewAGL)	\$0	0%
Shoalhaven (ActewAGL)	\$0	0%
Albury, Moama and Jindera (Origin)	-\$25	-3%
Murray Valley Towns (Origin)	-\$55	-5%

²⁵ Based on the regulated gas rates for customers using 24,000Mj per annum.

2. Market offers post July 2020

2.1 Electricity market offers post July 2020

- ▲ The average electricity market offer (including guaranteed and pay on time discounts) produces an annual bill of \$2,370 in the Essential Energy network, \$2,030 in Ausgrid and \$2,015 in Endeavour.²⁶
- ▲ In July 2020, the average market offer for households consuming 7,200 kWh per annum decreased by -6% in Essential, decreased by -8% in Endeavour and decreased by -9% in Ausgrid.²⁷
- ▲ Typical consumption households (7,200kWh) can save \$640 - \$720 per annum (depending on their network area) if switching from the incumbent retailer's standing offer to the best market offer.²⁸ The maximum saving is significantly higher compared to last year when it was \$430 - \$535.
- ▲ The difference between the best and the worst market offer ranges from \$745 (in Ausgrid's area) to \$890 (in Essential's area) for customers with typical consumption levels.²⁹ Chart 10 below shows the retail market offer price-spread within each of the three network areas. This difference is also higher compared to last year when it was \$605 - \$725.

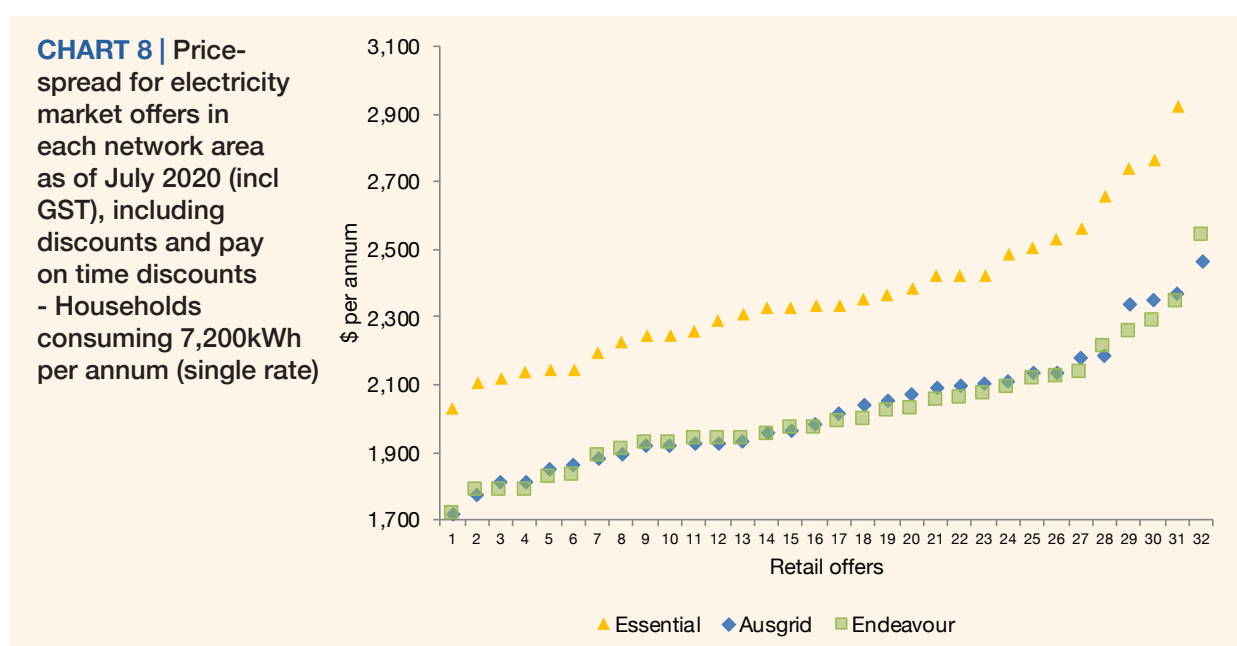


Table 4 below shows additional discounts applicable to the electricity retailers' published market offer rates. Table 4 also shows other contract terms and features, such as early termination fees, associated with these market offers. Some of the retailers have multiple market offers and may offer higher (or lower) discounts than those listed here. However, if the discounts are higher they are tied to other conditions such as payment by direct debit.

²⁶ Based on the average market offer (all retailers) for each network area, single rate and inclusive of pay on time discounts.

²⁷ Ibid. Post July 2020 offers compared to post July 2019 offers. Note there is a significantly higher number of retailers offering market contracts in NSW in 2020 compared to 2019.

²⁸ Based on the incumbent retailer's standing offer (single rate) and the best of the published market offers (including additional discounts and/or pay on time discounts).

²⁹ Households using 7,200kWh per annum (single rate) and all market offer bills include additional discounts and/or pay on time discounts.

In previous years all retailers have applied discounts to supply and/or usage charges excluding GST. This year, however, Origin clearly states that their discounts are applied to amounts including GST. Powershop's statement is somewhat ambiguous, but we have interpreted these to mean that they also apply discounts to GST inclusive amounts. All other retailers apply discounts to amounts exclusive of GST. There are also some retailers (Energy Locals, Powerclub and DC Power Co) that have offers that include a membership fee. When analysis offers that include a membership fee, we have added this amount to the fixed supply charge.

TABLE 4 | Published electricity market offers as of July 2020: Key additional features and contract conditions

Retailer	Name	Effective from	Guaranteed discount	Pay on time discount	Late payment fee	Contract term/benefit period	Early termination fee
Energy Locals	Local Saver	16/04/20	no	no	\$16	no	no
AGL	Essential Saver	1/07/20	no	no	\$12.73	12 months	no
Alinta Energy	Home Deal	17/07/20	no	no	no	no	no
Click Energy	Flora	1/07/20	no	no	\$12	no	no
Commander	Market offer	1/07/20	no	no	no	no	no
CovaU	Freedom Plus	1/07/20	no	20% off bill	\$15	no	no
Diamond Energy	Renewable Saver	5/05/20	no	7% off bill	\$15	no	no
Dodo Power & Gas	Market offer	1/07/20	no	no	no	no	no
EnergyAustralia	Total Plan	1/07/20	16% off bill	no	\$12	12 months	no
Mojo Power	All day breakfast	1/06/20	no	no	\$12	no	no
Momentum Energy	SmilePower Flexi	1/07/20	no	no	no	no	no
Origin Energy	Flexi	1/07/20	14% off bill	no	\$12	12 months	no
Powerdirect	Rate Saver	1/07/20	12% off bill	no	\$12.73	12 months	no
Powershop^	Shopper with Mega Pack	1/07/20	no	6% off bill	no	no	no
Red Energy	Living Energy Saver	1/07/20	no	no	no	no	no
Simply Energy	Simply Saver	1/07/20	20% off usage	no	no	no	no
1st Energy	1st Saver	1/07/20	13% off bill	no	no	no	no
Amaysim	Post-paid electricity	1/07/20	no	no	\$12	no	no
ReAmped Energy	Market Offer	5/06/20	no	no	\$12	no	no
Powerclub	Powerbank Home	15/07/20	no	no	no	no	no
DC Power Co	Market Offer	1/07/19	no	no	no	no	no

Retailer	Name	Effective from	Guaranteed discount	Pay on time discount	Late payment fee	Contract term/benefit period	Early termination fee
Enova Energy	Community Plus	1/07/20	no	3% off usage	no	no	no
Amber Electric	Market Offer	17/04/20	no	no	\$16	no	no
Sumo Power	Lite	9/04/20	no	no	no	12 months	no
Tango Energy	Home Select	15/04/20	no	no	no	12 months	no
Bright Spark Power	No contract	7/05/20	no	no	no	no	no
Discover Energy	Economy Saver	1/07/20	15% off usage	no	\$12	no	no
Future X Power	Flexi Saver	5/05/20	no	22% off usage	\$12	no	no
Globird Energy	GloSave	21/05/20	no	7% off bill	no	no	no
Kogan Energy	Market Offer	1/07/20	no	no	no	no	no
Nectr	Friends	1/07/20	no	no	no	12 months	no
OVO Energy	The One Plan	1/07/20	no	no*	no	no	no

^ Requires customer to purchase energy in advance in order to receive discount

* Pays 3% interest on accounts that are in credit

2.1.1 Potential savings - Differences between electricity offers

Typical consumption households (7,200kWh per annum) on the incumbent retailer's standing offer can save \$640 - \$720 per annum if switching to the best published market offer.³⁰ Importantly, it is the difference between individual retailers' offers that can produce significant savings if switching from a standing offer to a market offer. Customers who choose to stay with the same retailer, but change to a market offer, are unlikely to experience annual savings as large as these.

Charts 9-11 below show annual retail bills for typical consumption (7,200kWh per annum, single rate) for each of the three network areas. The columns to the left represent the market offer bills including guaranteed discounts (but not pay on time discounts) while the columns to the right are market offer bills including pay on time discounts.³¹ The dotted lines show the average market offer (including pay on time discounts) in each network area.

Ausgrid

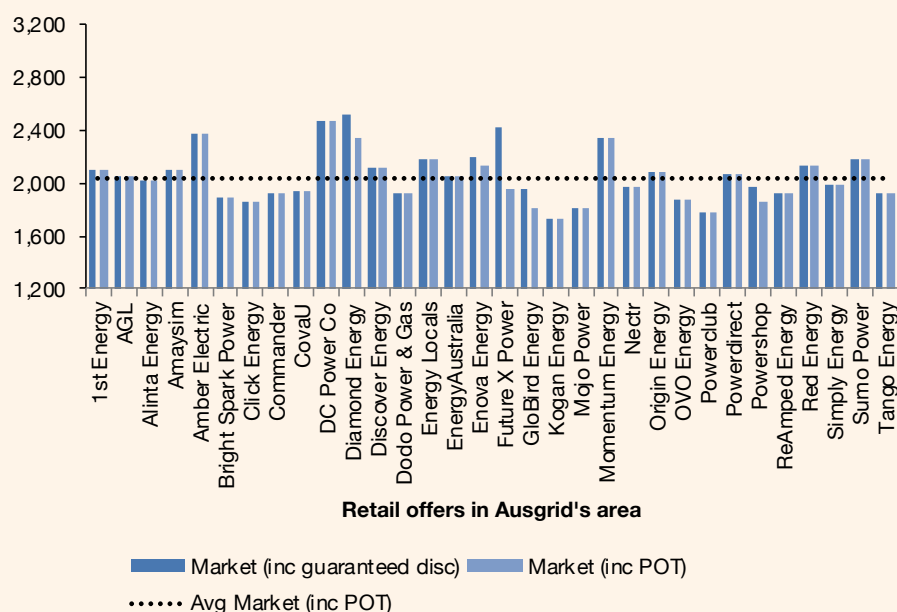
In Ausgrid's area, average consumption households on Energy Australia's standing offer can save \$715 per annum if switching to the best published market offer. Kogan Energy is the retailer that currently offers the best market offer rates in this area.

30 Based on market offer bills that include discounts and pay on time discounts.

31 These market offers were collected in mid-July 2020 and it should be noted that retailers may change their rates at any time. Discounts (excluding GST) have been applied to consumption and/or total bill as per offers listed in table 3.

CHART 9 | Ausgrid's

network area:
Estimated annual
bills (incl GST) for
electricity standing
and market offers
July 2020, including
discounts and pay
on time discounts -
Households consuming
7,200kWh per annum
(single rate)



The difference between the best and the worst market offer is also significant. Kogan's offer is approximately \$745 less than DC Power Co's market offer post discounts (and pay on time discounts) for households with this consumption level. Figure 1 below shows estimated annual bills for market offers post discounts in Ausgrid's network area.³²

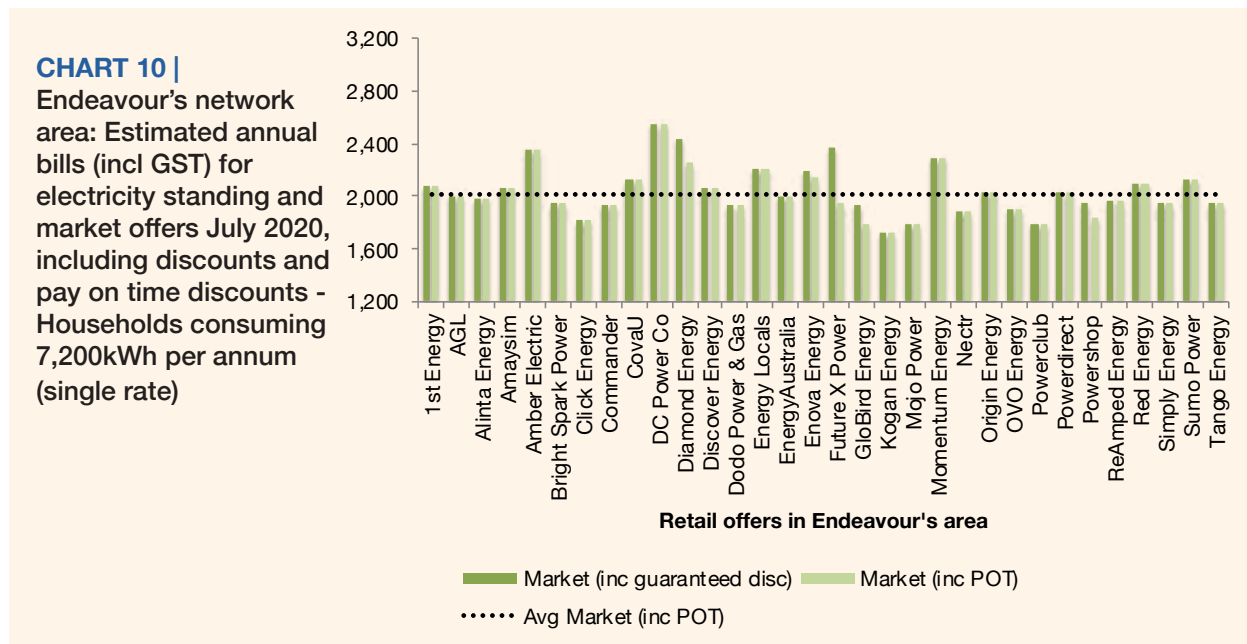
FIGURE 1 | Ausgrid's network area: Lowest to highest annual bills (incl GST) for market offers July 2020, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

	Kogan Energy	\$1,724		Tango Energy	\$1,931		Amaysim	\$2,105
	Powerclub	\$1,775		CovaU	\$1,938		Discover Energy	\$2,114
	Mojo Power	\$1,815		Future X Power	\$1,962		Red Energy	\$2,137
	GloBird Energy	\$1,815		Nectr	\$1,971		Enova Energy	\$2,140
	Powershop	\$1,854		Simply Energy	\$1,989		Energy Locals	\$2,183
	Click Energy	\$1,866		Alinta Energy	\$2,016		Sumo Power	\$2,191
	OVO Energy	\$1,884		EnergyAustralia	\$2,047		Diamond Energy	\$2,341
	Bright Spark Power	\$1,898		AGL	\$2,054		Momentum Energy	\$2,351
	Commander	\$1,924		Powerdirect	\$2,077		Amber Electric	\$2,370
	Dodo Power & Gas	\$1,924		Origin Energy	\$2,092		DC Power Co	\$2,468
	ReAmped Energy	\$1,928		1st Energy	\$2,101			

³² These market offers were collected in mid-July 2020 and it should 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.

Endeavour

In Endeavour's network area, average consumption households on Origin's standing offer can save approximately \$640 per annum if switching to the best published market offer. Kogan Energy is the retailer with the best market offer rates.



The difference between the best and the worst market offer is greater than in Ausgrid's network area. Kogan Energy's offer is approximately \$825 less than DC Power CO's market offer post discounts (and pay on time discounts) for households with this consumption level. Figure 2 below shows estimated annual bills for market offers post discounts in Endeavour's network.³³

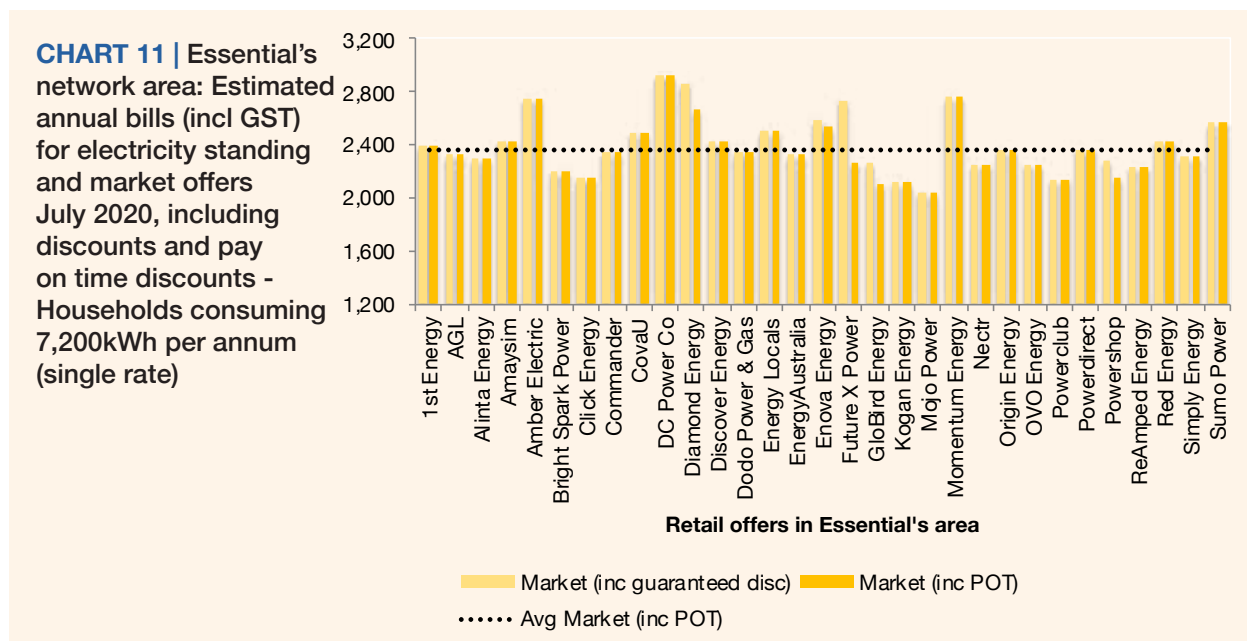
³³ These market offers were collected in mid-July 2020 and it should be noted that retailers may change their rates at any time. Additional discounts for customers choosing to pay by direct debit are not included in these bill calculations.

FIGURE 2 | Endeavour's network area: Lowest to highest annual bills (incl GST) for market offers July 2020, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

	Kogan Energy	\$1,723		Future X Power	\$1,942		1st Energy	\$2,076
	Powerclub	\$1,788		Bright Spark Power	\$1,942		Red Energy	\$2,095
	Mojo Power	\$1,793		Simply Energy	\$1,954		CovaU	\$2,120
	GloBird Energy	\$1,794		ReAmped Energy	\$1,972		Sumo Power	\$2,125
	Click Energy	\$1,827		Alinta Energy	\$1,977		Enova Energy	\$2,140
	Powershop	\$1,836		EnergyAustralia	\$1,992		Energy Locals	\$2,212
	Nectr	\$1,892		AGL	\$2,001		Diamond Energy	\$2,258
	OVO Energy	\$1,909		Powerdirect	\$2,025		Momentum Energy	\$2,287
	Commander	\$1,931		Origin Energy	\$2,033		Amber Electric	\$2,348
	Dodo Power & Gas	\$1,931		Discover Energy	\$2,057		DC Power Co	\$2,546
	Tango Energy	\$1,942		Amaysim	\$2,061			

Essential

In Essential's network area, average consumption households on Origin's standing offer can save approximately \$720 per annum if switching to the best published market offer. Mojo Power is the retailer with the best market offer rates in this network area.



As in other network areas, the difference between the best and the worst market offer is significant. Mojo Power's offer is approximately \$890 less per annum than DC Power Co's market offer post discounts (and pay on time discounts) for households with this consumption

level. Figure 3 below shows estimated annual bills for market offers post discounts in Essential's network area.³⁴

FIGURE 3 | Essential's network area: Lowest to highest annual bills (incl GST) for market offers July 2020, including discounts and pay on time discounts - Households consuming 7,200kWh per annum (single rate)

	Mojo Power	\$2,036		Alinta Energy	\$1,942		Discover Energy	\$2,427
	GloBird Energy	\$2,108		Simply Energy	\$2,314		CovaU	\$2,489
	Kogan Energy	\$2,120		AGL	\$2,331		Energy Locals	\$2,511
	Powerclub	\$2,139		EnergyAustralia	\$2,332		Enova Energy	\$2,533
	Powershop	\$2,147		Commander	\$2,338		Sumo Power	\$2,568
	Click Energy	\$2,149		Dodo Power & Gas	\$2,338		Diamond Energy	\$2,661
	Bright Spark Power	\$2,196		Powerdirect	\$2,358		Amber Electric	\$2,741
	ReAmped Energy	\$2,232		Origin Energy	\$2,025		Momentum Energy	\$2,771
	Nectr	\$2,250		1st Energy	\$2,391		DC Power Co	\$2,926
	OVO Energy	\$2,251		Red Energy	\$2,424			
	Future X Power	\$2,262		Amaysim	\$2,425			

2.2 Gas market offers post July 2020

There is a number of gas market offers available in NSW but the Sydney area (Jemena/AGL gas zone) is the only area that has more than three offers. As such, this analysis only comprises market offers in the greater Sydney area.

- ▲ The difference between the best and the worst gas market offer is \$190 per annum. See chart 12 below.
- ▲ Typical consumption households (24,000 Mj) can save \$385 per annum if switching from AGL's standing offer to the best market offer.³⁵ See chart 14 below. This is an increase from last year (July 2019), when the maximum saving was \$250.

³⁴ These market offers were collected in mid-July 2020 and it should 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.

³⁵ Based on the regulated offer and the best of the published market offers (including pay on time discounts).

CHART 12 | Price-spread for seven gas market offers in the Jemena pricing zone post July 2020 (incl GST) including discounts and pay on time discounts - Households consuming 24,000Mj per annum.

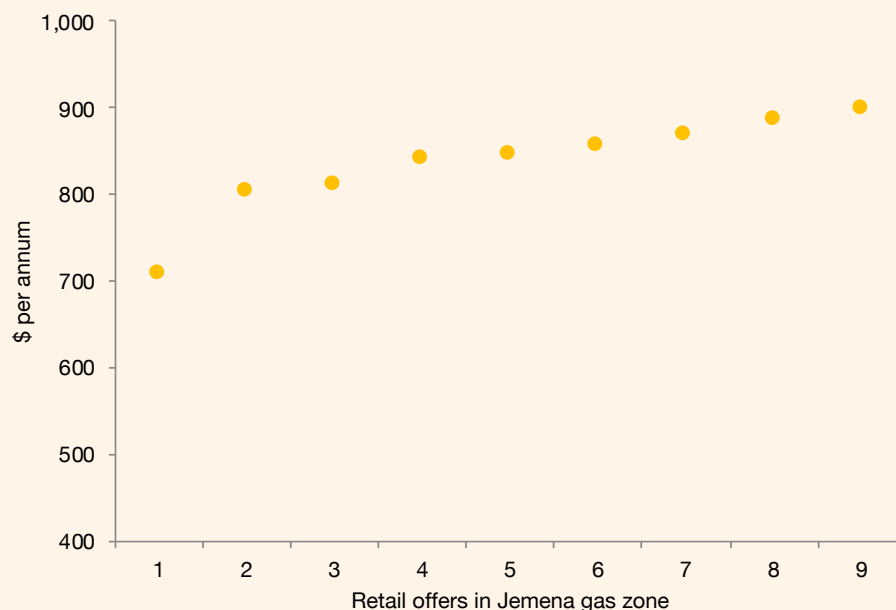
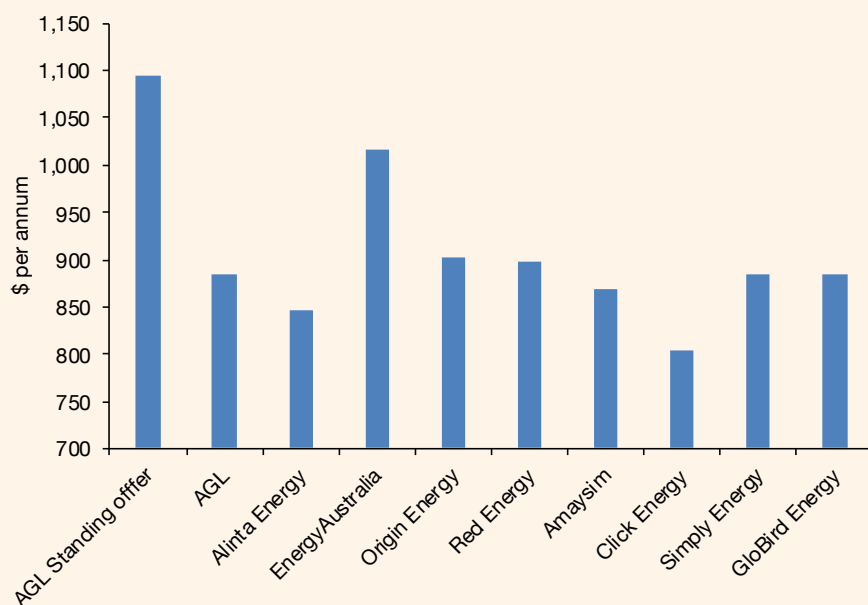


Chart 13 below shows that none of the retailers have rates (prior to discounts) that are higher than AGL's standing offer rates.³⁶

CHART 13 | Gas offers in Jemena/AGL zone as annual bills (excluding discounts), July 2020 (24,000Mj per annum, inc GST)



The calculations for the market offers in chart 13 include rates only (cost per MJ and fixed charges) and do not include other market offer features such as discounts on consumption rates, vouchers, sign-up credits, loyalty bonuses and discounts if bills are paid on time. As such, 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 and fees for exiting the contract early.

Table 5 below shows additional discounts applicable to the gas retailers' published market offer rates. It also shows other contract terms and features, such as early termination fees, associated with these market offers.

³⁶ These market offers were collected in mid-July 2020 and it should be noted that retailers may change their rates at any time.

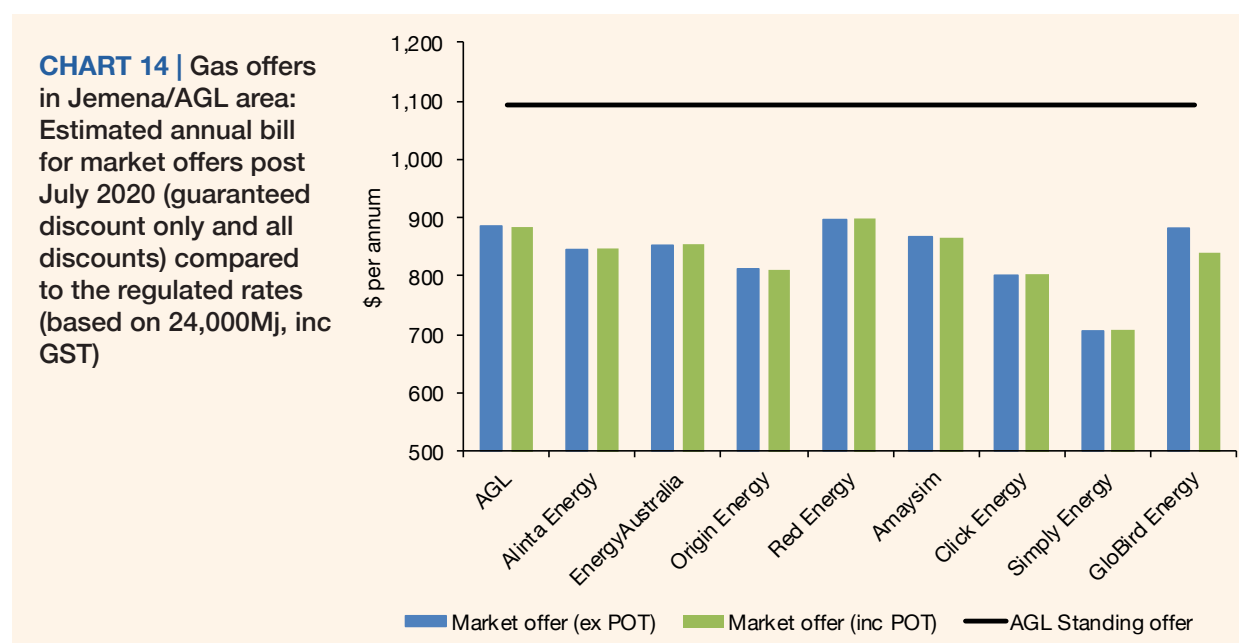
TABLE 5 | Published gas market offers in Jemena/AGL gas zone post July 2020: Key additional features and contract conditions

Retailer	Name	Effective from	Guaranteed discount	Pay on time discount	Late payment fee	Contract term/benefit period	Early termination fee
AGL	Essential Saver	1/07/20	no	no	\$12.73	12 months	no
Alinta Energy	Home Deal	17/07/20	no	no	no	no	no
EnergyAustralia	Total Plan	1/07/20	16% off bill	no	\$12	12 months	no
Origin Energy	Max Saver	15/07/20	10% off bill	no	\$12	12 months	no
Red Energy	Living Energy Saver	1/07/20	no	no	no	no	no
Amaysim	Post-paid gas	1/07/20	no	no	\$12	no	no
Click Energy	Flora	1/07/20	no	no	\$12	no	no
Simply Energy	Saver	1/07/20	20% off bill	no	no	no	no
GloBird	GloSave	14/05/20	no	5% off bill	no	no	no

2.2.1 Potential savings - Differences between gas offers

Chart 14 below shows annual retail bills for market offers compared to AGL's standing offer for typical consumption households (24,000kMj per annum) in the Jemena/AGL gas zone. The blue columns are the market offers including guaranteed discounts (but not pay on time discounts) while the green columns are market offer bills including pay on time discounts.³⁷ The line represents AGL's standing offer rates that took effect in July 2020.

Customers switching from AGL's standard offer to Simply Energy's market offer can potentially save \$385 on their annual gas bill (including discounts). If customers on AGL's standard offer switch to AGL's market offer, they will save \$210 per annum (after discounts have been applied).



³⁷ These market offers were collected in mid-July 2020 and it should be noted that retailers may change their rates at any time. Discounts have been applied to consumption and/or total bill as per offers listed in table 5

Compared to electricity offers, the difference between the best and the worst gas market offers quite small. Figure 4 below shows estimated annual bills for gas market offers post discounts in the Jemena/AGL gas zone. The difference between the best (Simply) and the worst (Red Energy) market offer is currently \$190 per annum (up from \$160 last year).

FIGURE 4 | Jemena/AGL gas zone: Lowest to highest annual bills (incl GST) for gas market offers post July 2020, including discounts and pay on time discounts - Households consuming 24,000Mj per annum³⁸

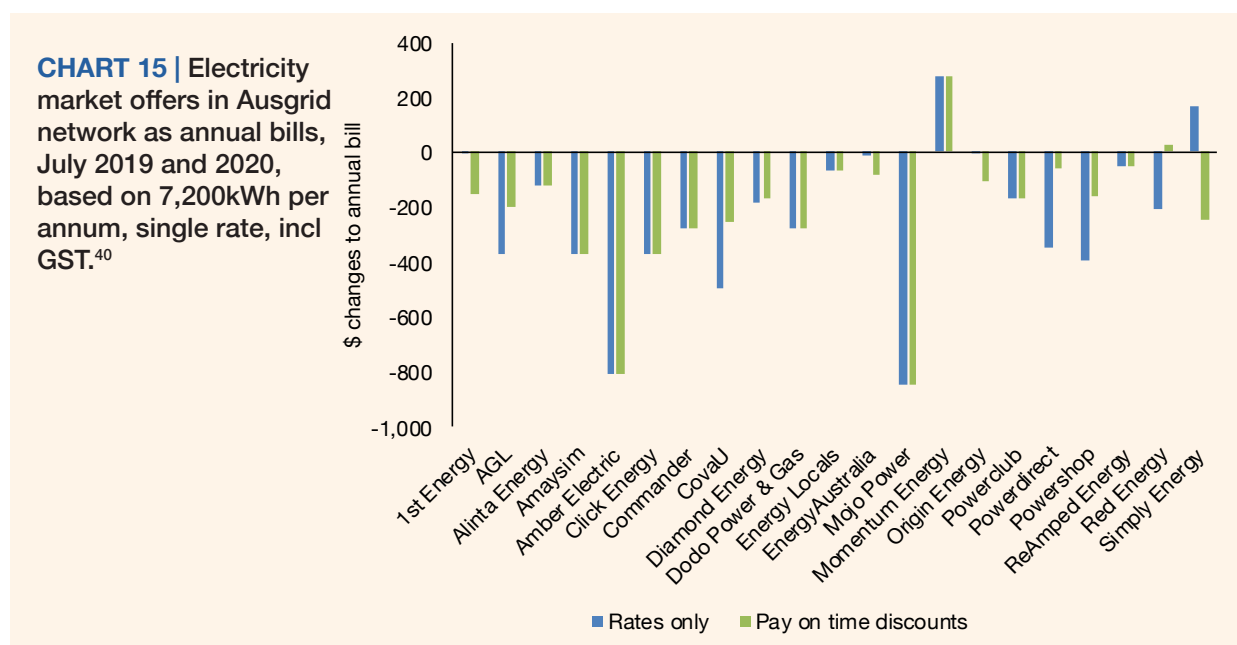
	Simply Energy	\$708
	Click Energy	\$803
	Origin Energy	\$811
	GloBird Energy	\$840
	Alinta Energy	\$847
	EnergyAustralia	\$854
	Amaysim	\$868
	AGL	\$885
	Red Energy	\$899

³⁸ These market offers were collected in mid-July 2020 and it should 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.

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

This section focuses on changes to market offer features such as base rates, guaranteed discounts, conditional discounts (e.g. pay on time discounts) and fees (e.g. late payment fees) since the introduction of the DMO in July 2019. In general terms, fewer retailers offer conditional discounts and the application of late payment fees has remained stable. The most common change to market offers since the introduction of the DMO has been for retailers to make contracts conditional upon monthly billing instead of the more traditional quarterly billing cycle.

Chart 15 below shows that 19 out of the 21 retailers that changed their offers between July 2019 and July 2020 in the Ausgrid network reduced their base rates (blue columns).³⁹ Momentum and Simply Energy are the only two retailers that increased their base rates during this period. Furthermore, in terms of bills inclusive of pay on time discounts, there are also only two retailers that have offers that produce higher bills post July 2020 compared to last year (green columns). This is a significant change compared to last year when many retailers reduced their discounts as well as their base rates (resulting in low overall bill reductions for many customers).



We have previously raised our concerns regarding the use of late payment fees as well as the significant impact they can have on late paying households' bills when applied in conjunction with a pay on time discount.⁴¹

Since the introduction of the DMO in July 2019, however, many electricity retailers have moved away from pay on time discounts to offer guaranteed discount or no discount at all. Consequently,

³⁹ Note that this chart only includes retailers that had published market offers in July 2019 as well as July 2020, and that changed their offers over this period.

⁴⁰ As many retailers have discontinued their 2019 offers and introduced new market offers, 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 2020. Where this has occurred, the offers used for this comparison (2019/2020) are: Energy Locals (Super Saver/Local Saver), AGL (Smart Saver/Essential Saver), Alinta (No Fuss/Home Deal), Click (Banksia/Flora), Covau (Freedom/Freedom Plus), Diamond (Pay on Time Discount/Renewable Saver), Mojo (Connect/All day breakfast), Powerdirect (Discount Saver/Rate Saver), Simply (Plus/Saver) and Amaysim (Electricity as you go/Post-paid Electricity).

⁴¹ See St Vincent de Paul Society, *NSW Energy Prices July 2012 – July 2013, An update report on the NSW Tariff-Tracking project* by May Mauseth Johnston (August 2013), St Vincent de Paul Society, *NSW Energy Prices July 2014 – July 2015, An update report on the NSW Tariff-Tracking project* by May Mauseth Johnston (July 2015), St Vincent de Paul Society, *NSW Energy Prices 2018, An update report on the NSW Tariff-Tracking project* by May Mauseth Johnston (July 2018)

the difference between the average bill (across all retailers) paid late versus on time is now low (approximately \$55 per annum).

Retailers that still offer significant pay on time discounts are Future X Power, Diamond Energy, GloBird, and Powershop.⁴² Future X Power, for example, offers a 22% discount off the usage charges if customers pay on time and this discount, combined with a late payment fee of \$12, means that a late paying customer can be around \$525 worse off per annum in the Essential network.⁴³ Table 6 shows how much more a late paying customer on each of the retail offers would pay per annum.⁴⁴

TABLE 6 | The difference (\$) to annual bill when customers pay late

	Essential	Ausgrid	Endeavour
Future X Power	526	506	476
Diamond Energy	260	236	230
GloBird Energy	159	137	135
Powershop	137	118	117
Amber Electric	64	64	64
Energy Locals	64	64	64
CovaU	60	60	60
Enova Energy	60	56	56
AGL	51	51	51
Powerdirect	51	51	51
Amaysim	48	48	48
Click Energy	48	48	48
Discover Energy	48	48	48
EnergyAustralia	48	48	48
Mojo Power	48	48	48
Origin Energy	48	48	48
ReAmped Energy	48	48	48
1st Energy	0	0	0
Alinta Energy	0	0	0
Bright Spark Power	0	0	0
Commander	0	0	0
DC Power Co	0	0	0
Dodo Power & Gas	0	0	0
Kogan Energy	0	0	0
Momentum Energy	0	0	0
Nectr	0	0	0
OVO Energy	0	0	0

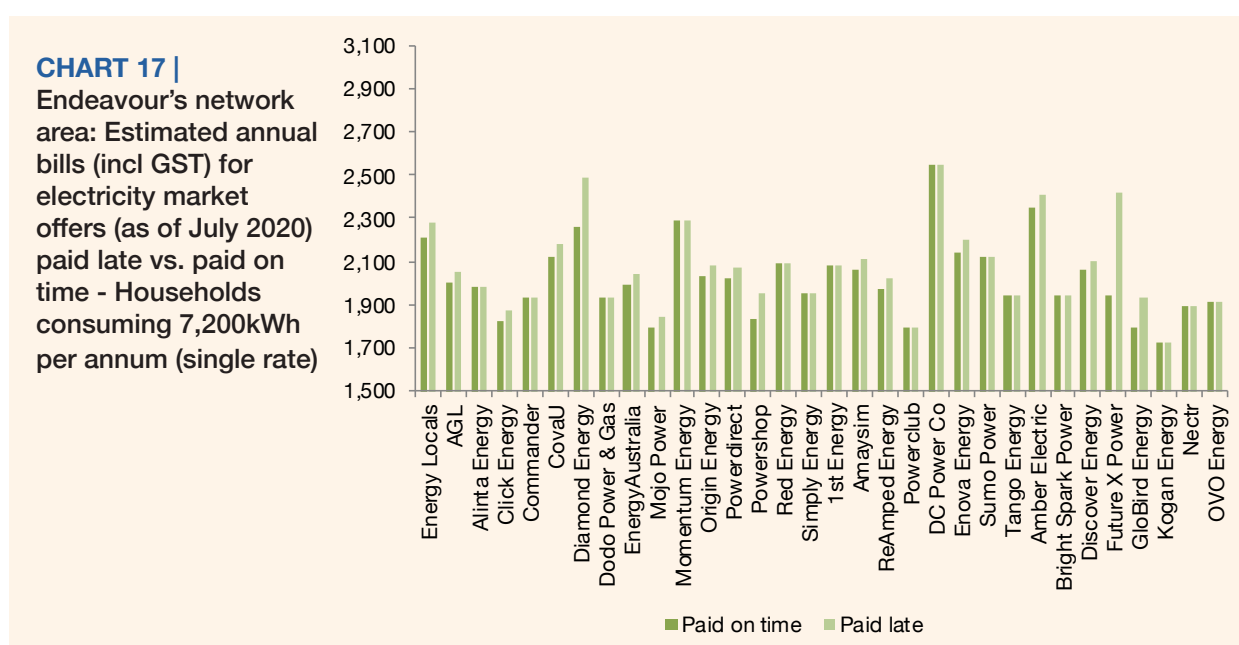
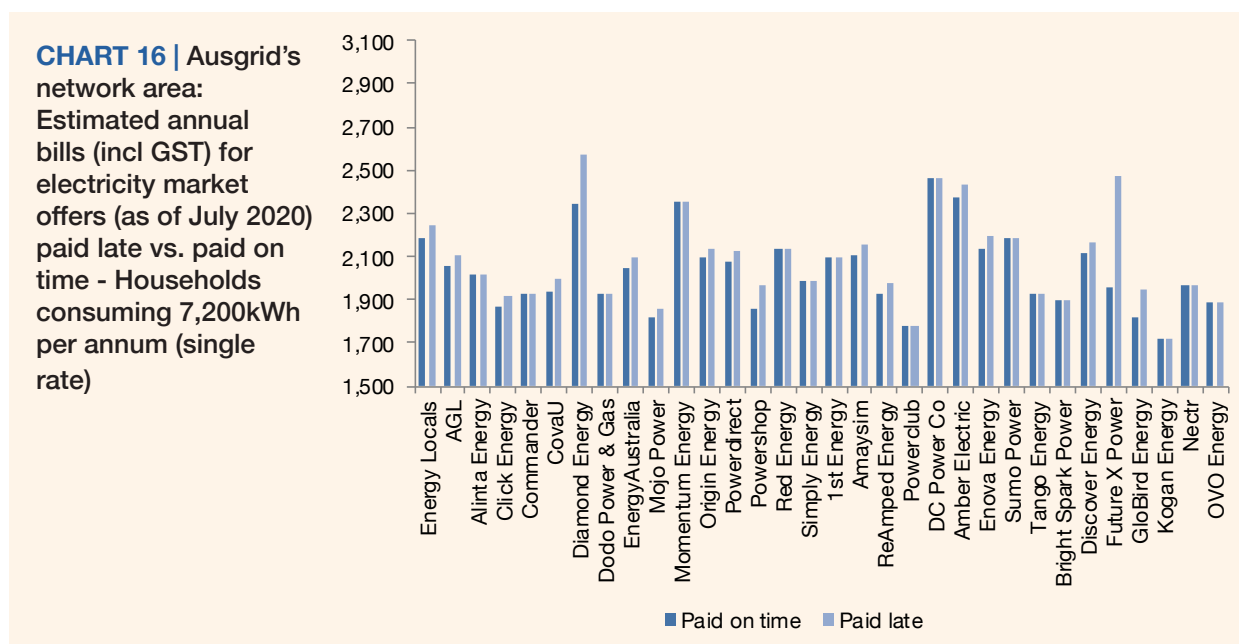
⁴² Note that Powershop's discount is not a traditional pay on time discount but customers are required to purchase special offers in advance, by a set date, in order to qualify for the discounts.

⁴³ Based on households using 7,200 kWh per annum, single rate and inclusive of GST.

⁴⁴ If the retailer charges a late payment fee, four late payment fees have been included in the annual 'late bill' calculation.

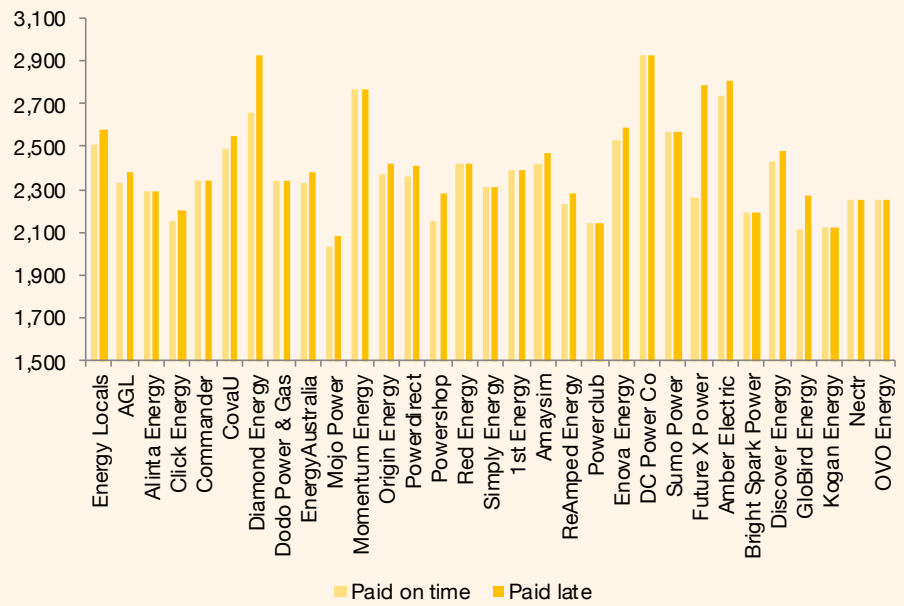
	Essential	Ausgrid	Endeavour
Powerclub	0	0	0
Red Energy	0	0	0
Simply Energy	0	0	0
Sumo Power	0	0	0
Tango Energy		0	0

Charts 16 – 18 below show annual bills for customers that pay bills on time and customers that pay late in each of the three network areas.⁴⁵



⁴⁵ If the retailer charges a late payment fee, four late payment fees have been included in the annual 'late bill' calculation.

CHART 18 |
Essential's network area: Estimated annual bills (incl GST) for electricity market offers (as of July 2020) paid late vs. paid on time - Households consuming 7,200kWh per annum (single rate)



4. Network charges

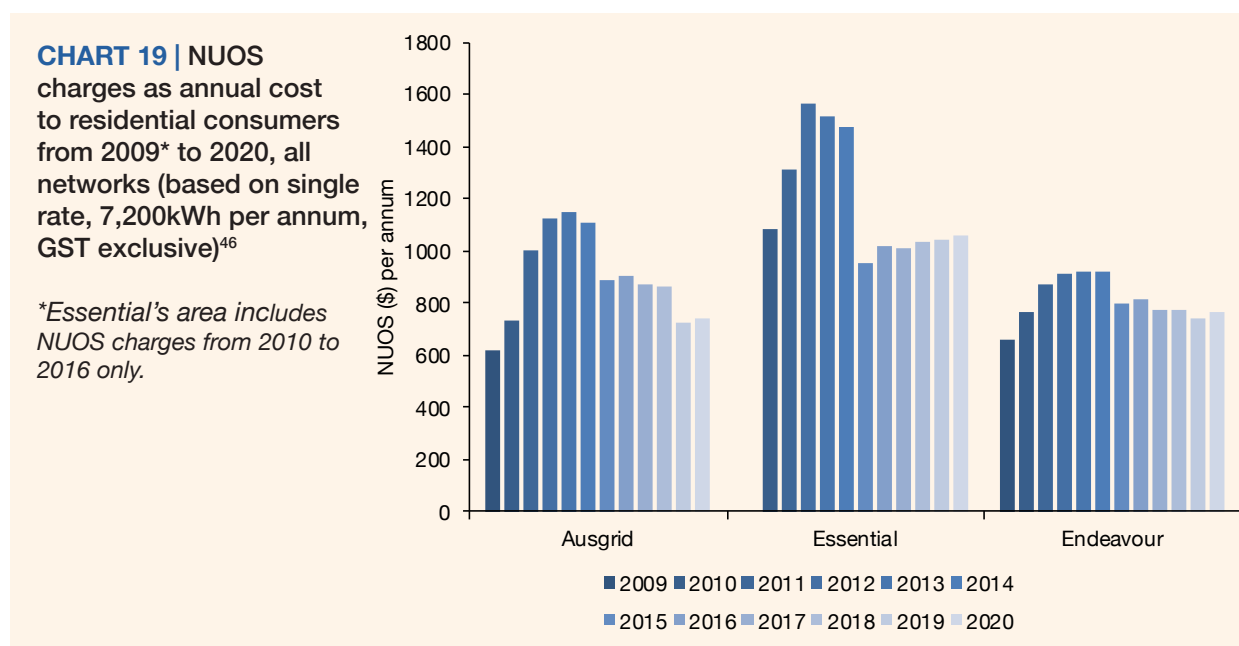
This section examines changes to electricity network charges since 2009 and gas distribution charges since 2019.

4.1 Electricity network charges

Network Use of System (NUOS) charges in 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 metering charges. The retailers can, and generally will, build changes to the NUOS (in relation to both shape and price) into their retail tariffs.

The charts presented below show that while the NUOS charges for average consumption households increased significantly from 2009 to 2012, they then flattened out before substantially decreasing in 2015. In July 2017, 2018 and 2019, the NUOS decreased somewhat in all network areas except for in Essential where there were small increases in July 2018 and 2019. As of July 2020, the NUOS increased slightly in all network areas. See chart 19 below.

Network charges as proportion of total bill have also flattened out or decreased in Ausgrid and Endeavour in recent years. From July 2014, the NUOS proportion of bills dropped substantially. In the Essential network, however, there have been slight increases over the last two years. The proportion is currently 30% in Ausgrid, 39% in Essential and 32% in Endeavour. See chart 20 below.



⁴⁶ The annual NUOS charges have been calculated by allocating 1,800kWh per quarter (again based on annual consumption of 7,200kWh) to the step charges stipulated in the NUOS (excluding GST). The annual NUOS cost also includes fixed charges.

CHART 20 | NUOS

charges as proportion of annual bill from 2009* to 2020, all networks. Based on regulated offer (2009-2013) and the incumbent retailers' single rate standing offer (2014-2019), 7,200kWh per annum, incl. GST⁴⁷

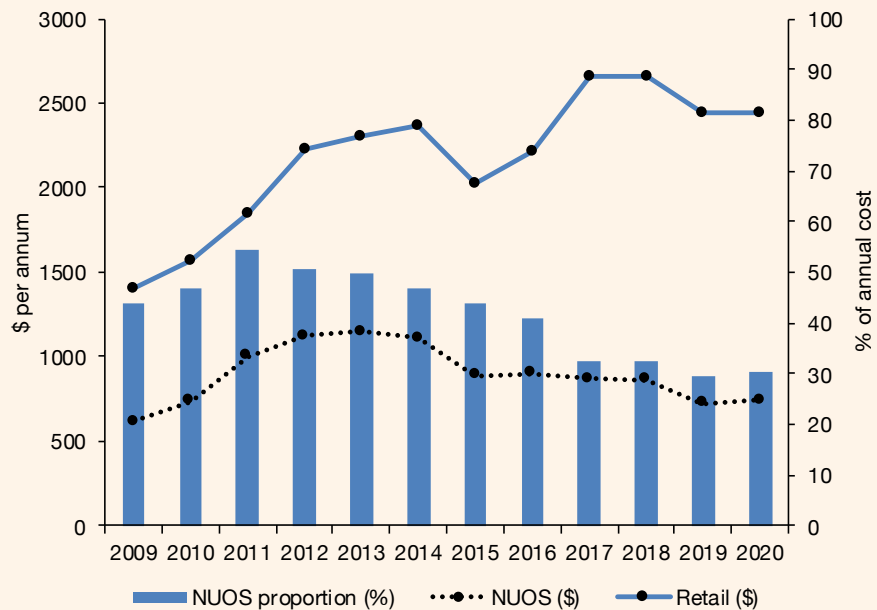
*Essential's area includes NUOS charges from 2010 to 2016 only.



Charts 21-23 below show annual retail bills (solid line), NUOS charges as annual cost (dotted line) and as proportion of annual bill (columns) for each of the network areas. The methodology used for these calculations is the same as for charts 19-20 above.

CHART 21 | Ausgrid:

Retail bill per annum, NUOS charges and NUOS as proportion of total bill Based on regulated offer (2009-2013) and Energy Australia's single rate standing offer (2014 and 2020), 7,200kWh per annum, incl. GST.



47 The NUOS proportion of total bill has been calculated using annual NUOS cost calculations (see footnote above) and the retailers' regulated/standing offers as of July every year (from 2009 to 2020), presented as annual bills for households using 7,200kWh per annum (single rate, incl. GST) across the three distribution areas. Post 2013 the retail bills are based on the incumbent retailers' (Origin and Energy Australia) standing offers.

CHART 22 | Endeavour Energy: Retail bill per annum, NUOS charges and NUOS as proportion of total bill Based on regulated offer (2009-2013) and Origin's single rate standing offer (2014 and 2020), 7,200kWh per annum, incl. GST

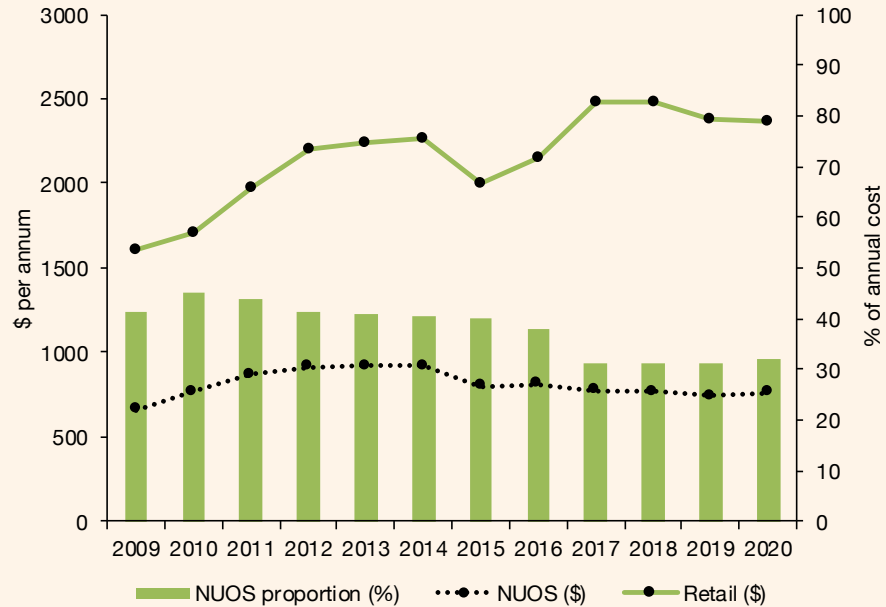
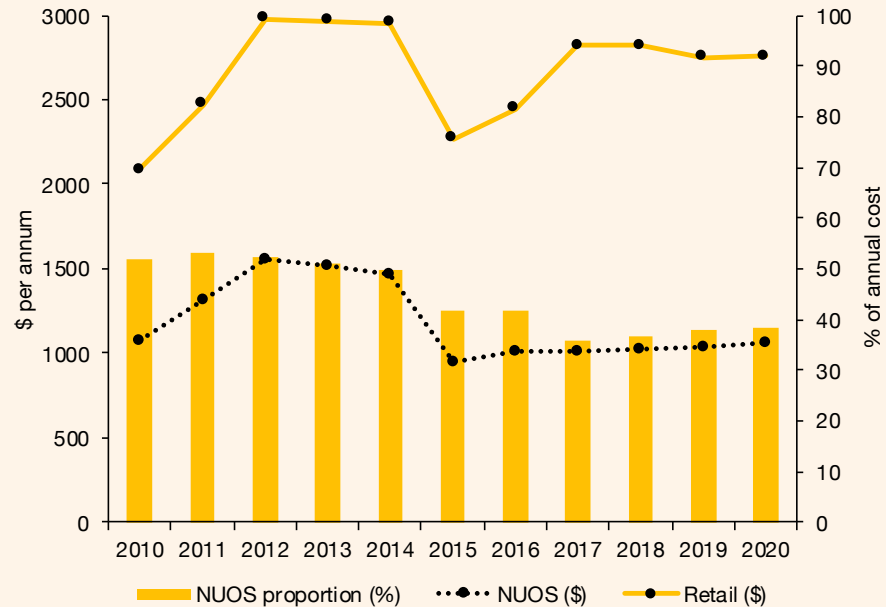


CHART 23 | Essential Energy: Retail bill per annum, NUOS charges and NUOS as proportion of total bill Based on regulated offer (2010-2013) and Origin's single rate standing offer (2014 and 2020), 7,200kWh per annum, incl. GST

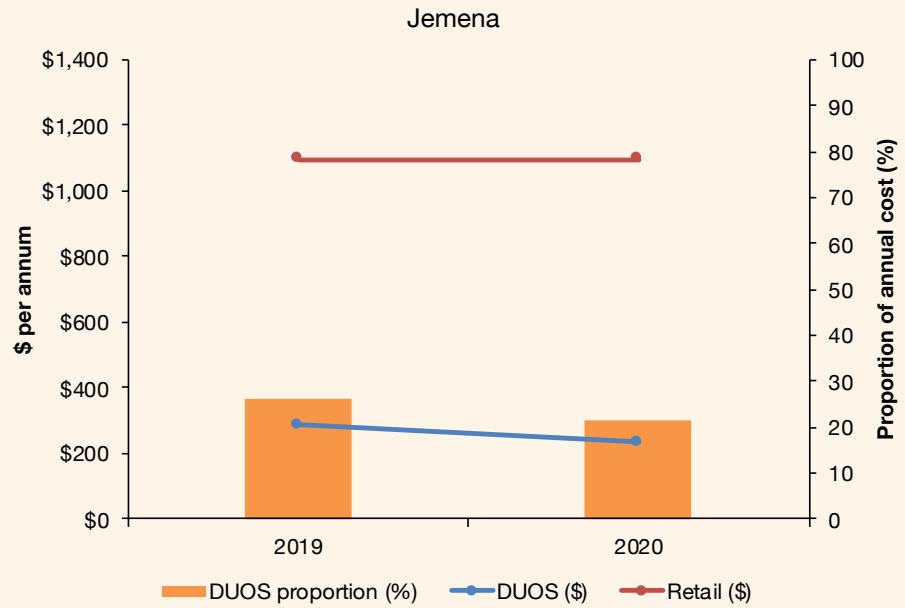


4.1 Gas network charges

A new addition to the Tariff-Tracking project this year is to analyse changes to gas distribution charges. As discussed in section 1.2 above, there are several gas distributor in NSW and this analysis therefore focuses on the main gas distribution area which is Jemena Coastal.

As for electricity, the NSW gas distributor, Jemena, introduces new Distribution Use of System (DUOS) charges as of 1 July every year. Chart 24 below shows that the DUOS charges decreased in July 2020. It also shows that the DUOS proportion of bills decreased in July 2020 as the average retail bill remained unchanged while the DUOS decreased. The DUOS proportion of gas retail bills is currently 21%.

CHART 24 | Jemena:
Retail bill per annum (incl. GST), DUOS charges and DUOS as proportion of total bill (incl. GST) as of July 2019 and July 2020 (based on AGL's standing offer, 24,000 MJ per annum)⁴⁸



⁴⁸ Based on AGL's standing offer as of July 2019 and 2020. Presented as annual bills for households using 24,000 MJ per annum. The annual DUOS charges have been calculated by allocating 6,000 MJ per quarter (again based on annual consumption of 24,000 MJ) to the step charges stipulated in the DUOS. The annual DUOS cost also includes fixed charges.

5. Solar offers

There are over 538,000 small scale solar systems in NSW.⁴⁹ For 2020-21, IPART stated that a fair and reasonable benchmark range for solar electricity fed back into the grid is between 6 and 7.3 cents per kWh.⁵⁰ However, the retailers are not obliged to offer a FIT in this range. Customers 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 NSW customers with 1.5 kW and 3 kW systems installed. 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 7,200kWh (including both produced and imported).
- ▲ Calculations have been produced for households with 1.5 kW and 3 kW systems only.
- ▲ For Sydney households, an annual generation capacity per kW installed of 1.614 MWh and an export rate of 49.9% for 3 kW systems and 18.9% for 1.5 kW systems.⁵¹
- ▲ For non-metropolitan households, an annual generation capacity per kW installed of 1.801 MWh and an export rate of 55.1% for 3 kW systems and 27.3% for 1.5 kW systems.⁵²
- ▲ Only FIT rates available to new customers have been included. Retailer funded FIT rates have been applied as per offer (see table 7 below).
- ▲ 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.

TABLE 7 | Retailers' FIT rates (July 2020)

Retailer	Offer	FIT rate (c/kWh)
AGL	Solar Savers	21
Energy Locals	Local Saver	16
Click Energy	Flora Solar	16
Amaysim	Post-paid Solar	16
Enova Energy	Solar Premium	16
DC Power Co	Market offer	15
Diamond Energy	Renewable Saver POT	12
Origin Energy	Solar Boost	12

⁴⁹ Small scale is defined as systems up to 100 kW. Clean Energy Council, Clean Energy Australia Report 2020, 68

⁵⁰ See IPART, Solar feed-in tariff Benchmark, Final report, April 2020 at <https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/pricing-reviews-energy-services-publications-solar-feed-in-tariffs-202021/final-report-solar-feed-in-tariffs-202021-april-2020.pdf>

⁵¹ These figures are based analysis presented in a report for the Alternative Technology Association (ATA) by Alviss Consulting (Alviss Consulting, Retail Offers and Market Transparency for New Solar Customers, June 2013).

⁵² Ibid.

Retailer	Offer	FIT rate (c/kWh)
Commander	Market offer	11.6
Dodo Power & Gas	Market offer	11.6
Discover Energy	Solar Boost	11.5
Sumo Power	Lite	11.1
EnergyAustralia	Total Plan Home	10.5
Red Energy	Living Energy Saver	10.2
Powerdirect	Rate Saver	9.5
Bright Spark Power	No Contract	9
CovaU	Freedom Plus Solar	8.5
Simply Energy	Saver	8
Amber Electric	Market offer	8
ReAmped Energy	Market offer	8
Alinta Energy	Home Deal	7.5
Mojo Power	All Day Breakfast	7.5
Momentum Energy	SmilePower Flexi	7
Powershop	Shopper with Mega Pack	7
Future X Power	Flexi Saver	7
Powerclub	Powerbank Home Solar	7
Tango Energy	Home Select	7
1st Energy	1st Saver	6
Kogan Energy	Market offer	5.53
GloBird Energy	GloSave	3

Chart 25 below compares annual retail bills for solar customers in Sydney (Ausgrid) with 3 kW and 1.5 kW installed. It shows that for this consumption level, the average market offer bill for households in this area with a 3 kW system installed is \$1,240 and that is \$790 less than the average market offer bill for non-solar customers (see chart 9 in section 2.1.1 above). Households with a 1.5 kW system installed will have an annual bill of \$1,570.

Chart 25 also shows that Amaysim, Amber Electric, Click, DC Power Co, Diamond, Discover Energy, Momentum, Origin, Red Energy and Sumo's offers produce annual bills above the average for both 3 kW and 1.5 kW systems. Amaysim and Click offer the second highest FIT rates (only AGL has higher) but produce bills that are higher than average for both households with 1.5 kW and 3 kW systems. Sydney (Ausgrid) solar customers with 1.5 kW systems (and this consumption level) would be approximately \$430 per annum better off on Kogan Energy's offer compared to Amaysim and Click's offers, despite Kogan Energy's relatively low FIT rate. This highlights the importance of solar customers not choosing retail offers based on FIT rates alone. Customers with a 3kW system installed may save \$405 per annum if they switched from Amber Electric to Dodo or Commander's offers.

CHART 25 | Annual bills including discounts and FIT credits for *Sydney/Ausgrid* customers with 3 kW and 1.5 kW solar systems. Electricity offers post July 2020 as annual bills, Single rate, 7,200kWh (GST inc).⁵³

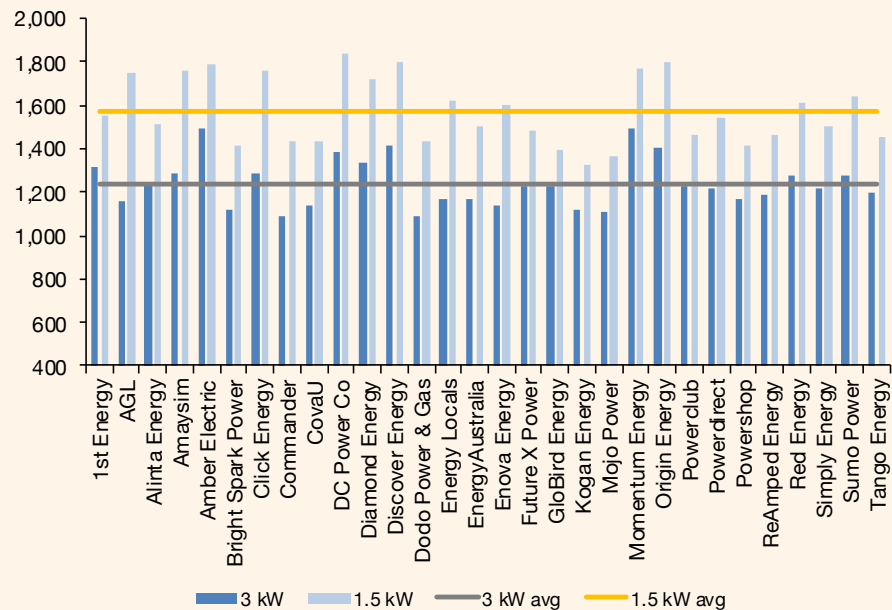
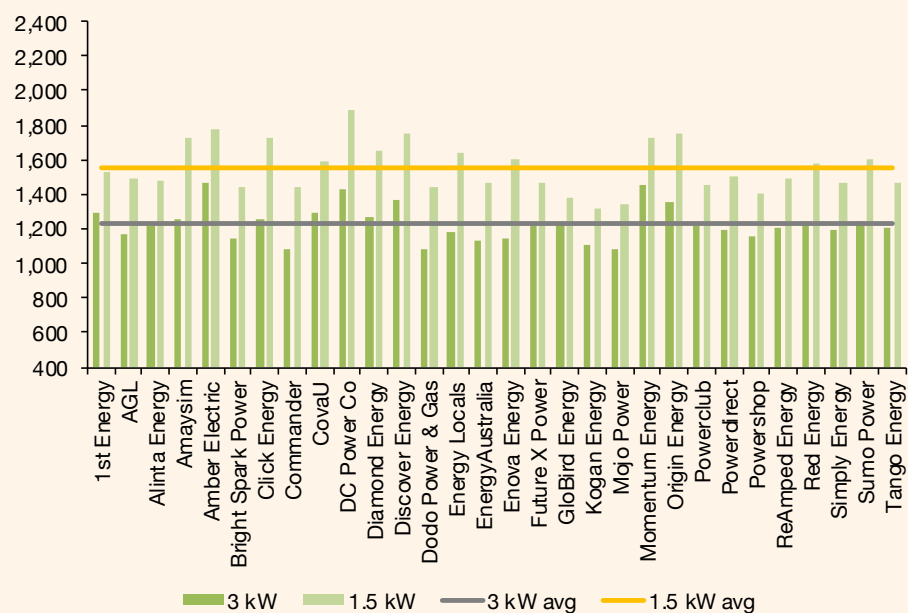


Chart 26 below shows annual bills for Sydney solar customers in the Endeavour network. It shows that for this consumption level, the average market offer bill for households in this area with a 3 kW system installed is \$1,230 and that is \$785 less than the average market offer bill for non-solar customers (see chart 10 in section 2.1.1 above). Households with a 1.5 kW system installed will have an average annual bill of \$1,555.

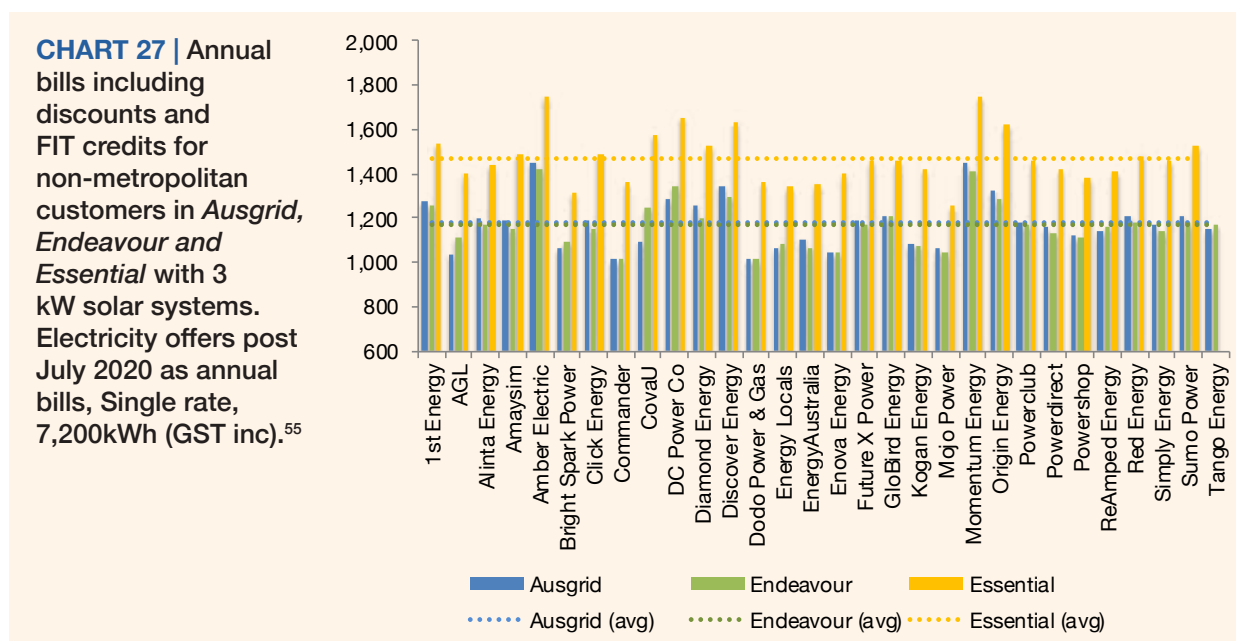
CHART 26 | Annual bills including discounts and FIT credits for *Sydney/Endeavour* customers with 3 kW and 1.5 kW solar systems. Electricity offers post July 2020 as annual bills, Single rate, 7,200kWh (GST inc).⁵⁴



Homes outside Sydney's metropolitan area will typically have less overshadowing and therefore a higher generation capacity and export rate. Chart 27 compares annual retail bills for non-metropolitan solar customers with 3 kW systems in the three network areas. It shows that the average annual bill for non-metropolitan solar customers with this consumption level is \$1,175 in Ausgrid, \$1,170 in Endeavour and \$1,470 in Essential. Compared to non-solar households, the average bill is \$855 less in Ausgrid, \$845 less in Endeavour, and \$900 less in Essential (see section 2.1.1 above for non-solar customers).

⁵³ Calculations include discounts off usage or bill as well as pay on time discounts off usage or bill.

⁵⁴ Ibid.



Figures 6 - 8 below show estimated annual bills for solar market offers including FIT and discounts for Sydney customers in Ausgrid and Endeavour's networks and non-metropolitan customers in the Essential network (all based on 3 kW systems).⁵⁶

FIGURE 6 | Lowest to highest annual bills (incl GST) for solar market offers post July 2020, including discounts and pay on time discounts – Sydney households in the Ausgrid network with 3kW systems installed and consuming 7,200kWh annum (including both produced and imported), single rate

	Commander	\$1,088		Powershop	\$1,169		Sumo Power	\$1,280
	Dodo Power & Gas	\$1,088		ReAmped Energy	\$1,187		Amaysim	\$1,283
	Mojo Power	\$1,109		Tango Energy	\$1,192		Click Energy	\$1,283
	Bright Spark Power	\$1,115		Simply Energy	\$1,221		1st Energy	\$1,313
	Kogan Energy	\$1,116		Powerdirect	\$1,222		Diamond Energy	\$1,330
	Enova Energy	\$1,140		Powerclub	\$1,222		DC Power Co	\$1,381
	CovaU	\$1,143		Future X Power	\$1,229		Origin Energy	\$1,400
	AGL	\$1,162		GloBird Energy	\$1,230		Discover Energy	\$1,413
	Energy Locals	\$1,164		Alinta Energy	\$1,240		Momentum Energy	\$1,489
	EnergyAustralia	\$1,166		Red Energy	\$1,272		Amber Electric	\$1,493

⁵⁵ Ibid.

⁵⁶ These market offers were collected in mid-July 2020 and it should 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.

FIGURE 7 | Lowest to highest annual bills (incl GST) for solar market offers post July 2020, including discounts and pay on time discounts – Sydney households in the Endeavour network with 3kW systems installed and consuming 7,200kWh annum (including both produced and imported), single rate

	Mojo Power	\$1,086		Powerdirect	\$1,188		Amaysim	\$1,250
	Commander	\$1,086		Simply Energy	\$1,191		Click Energy	\$1,250
	Dodo Power & Gas	\$1,086		ReAmped Energy	\$1,208		Diamond Energy	\$1,271
	Kogan Energy	\$1,108		Tango Energy	\$1,209		1st Energy	\$1,292
	EnergyAustralia	\$1,127		Powerclub	\$1,213		CovaU	\$1,297
	Enova Energy	\$1,140		Future X Power	\$1,214		Origin Energy	\$1,356
	Bright Spark Power	\$1,143		Alinta Energy	\$1,215		Discover Energy	\$1,369
	Powershop	\$1,153		GloBird Energy	\$1,225		DC Power Co	\$1,431
	AGL	\$1,171		Red Energy	\$1,244		Momentum Energy	\$1,457
	Energy Locals	\$1,181		Sumo Power	\$1,244		Amber Electric	\$1,472

FIGURE 8 | Lowest to highest annual bills (incl GST) for solar market offers post July 2020, including discounts and pay on time discounts – households in the Essential network with 3kW systems installed and consuming 7,200kWh annum (including both produced and imported), single rate

	Mojo Power	\$1,260		Powerdirect	\$1,418		Sumo Power	\$1,522
	Bright Spark Power	\$1,315		Kogan Energy	\$1,421		Diamond Energy	\$1,527
	Energy Locals	\$1,345		Alinta Energy	\$1,441		1st Energy	\$1,538
	EnergyAustralia	\$1,348		GloBird Energy	\$1,457		CovaU	\$1,571
	Commander	\$1,359		Powerclub	\$1,457		Origin Energy	\$1,619
	Dodo Power & Gas	\$1,359		Simply Energy	\$1,458		Discover Energy	\$1,636
	Powershop	\$1,383		Future X Power	\$1,462		DC Power Co	\$1,653
	Enova Energy	\$1,397		Red Energy	\$1,473		Amber Electric	\$1,747
	AGL	\$1,398		Amaysim	\$1,489		Momentum Energy	\$1,748
	ReAmped Energy	\$1,407		Click Energy	\$1,489			

6. Total cost of energy by area

As approximately 40% of NSW households are connected to both electricity and gas, it is important to analyse whether there are areas that have experienced high increases/decreases in both electricity and gas prices, and conversely, whether there are areas where the increases/decreases in electricity and gas prices are at the lower end.⁵⁷ Such analysis allows for a more detailed understanding of the total energy costs faced by households across NSW. This year, however, changes to energy costs are relatively low for many households as there are mostly minor adjustments to the incumbent electricity retailers' single/flat rate DMO offer and gas standing offers. All-electric households with controlled load, on the other hand, have received more substantial price reductions in some areas.

6.1 Inner Sydney, Northern Sydney, Swansea, Newcastle, Maitland, Cessnock Singleton and Upper Hunter

In this area, Energy Australia's annual electricity standing offer bill is \$10 less in July 2020 compared to July 2019 (based on households consuming 7,200kWh/annum). Gas prices in the Jemena/AGL gas zone has remained unchanged.

- ▲ Dual fuel households with an average consumption of electricity and gas in inner and Eastern Sydney, Sydney's North, Swansea and Newcastle will typically experience a decrease in annual energy costs of \$10 from July 2020.⁵⁸
- ▲ All-electric households in Sydney, Newcastle, Maitland, Singleton, Muswellbrook and the Upper Hunter will typically experience a decrease in annual electricity costs of \$15 from July 2020.⁵⁹



Source: www.ausgrid.com.au

6.2 Western Sydney, Wollongong, Blue Mountains, Lithgow, Kandos, Moss Vale, Nowra, Ulladulla

In this area, Origin's annual electricity standing offer bill is \$10 less in July 2020 compared to July 2019 (based on households consuming 7,200kWh/annum). Gas prices in the Jemena/AGL gas zone has remained unchanged.

- ▲ Dual fuel households with an average consumption of electricity and gas in Western Sydney, Wollongong, Blue Mountains and Lithgow will typically experience a decrease in annual



Source: www.endeavourenergy.com.au

⁵⁷ According to IPART, approximately 40% of all NSW households use gas and in the Sydney metropolitan area approximately 50% of households use gas. IPART, *Review of regulated retail prices and charges for gas*, Final report, June 2014, p 52

⁵⁸ These are households in Ausgrid's electricity distribution network and Jemena/AGL's gas zone.

⁵⁹ These are households on a two-rate (controlled load) tariff in Ausgrid's electricity distribution network.

energy costs of \$10 from July 2020.⁶⁰

- ▲ As gas prices have also remained unchanged in Nowra/Shoalhaven, dual fuel households in this area will typically experience a decrease in annual energy costs of \$10 from July 2020.⁶¹
- ▲ All-electric households in Western Sydney, Wollongong, Blue Mountains, Lithgow, Kandos, Moss Vale, Nowra and Ulladulla will typically experience a decrease in annual electricity costs of \$95 from July 2020.⁶²

6.3 Rural and Regional NSW

In rural and regional NSW, the average annual electricity standing offer bill is \$5 more in July 2020 compared to July 2019 (based on households consuming 7,200kWh/annum). For all-electric households (8,000kWh, 30% controlled off peak) the average electricity standing offer has decreased by \$65.

- ▲ Dual fuel households with an average consumption of electricity and gas in Bathurst, Orange, Dubbo, Parkes, Queanbeyan, Bungendore and Shoalhaven will typically experience a small increase (\$5) to their annual *energy* costs from July 2020.⁶³
- ▲ For dual fuel households in Cooma and Bombala, the annual *energy* costs will typically remain unchanged from July 2020.⁶⁴
- ▲ As gas prices has reduced significantly in ActewAGL's Goulburn zone, dual fuel households in Goulburn, Boorowa, Yass and will typically experience a decrease in annual *energy* costs of \$65 from July 2020.⁶⁵
- ▲ Dual fuel households in Temora, Tumut, Holbrook, Henty, Cudal and Walla Walla will typically experience a decrease in annual *energy* costs of \$25 from July 2020.⁶⁶
- ▲ Dual fuel households in Wagga Wagga and Uranquity will typically experience a decrease in annual *energy* costs of \$10 from July 2020.⁶⁷
- ▲ Dual fuel households in Tamworth will typically experience a decrease in annual *energy* costs of \$15 from July 2020.⁶⁸



Source: Country Energy, Annual Report 2009-10

60 These are households in Endeavour Energy's electricity distribution network and Jemena/AGL's gas zone

61 These are households in Endeavour Energy's electricity distribution network and ActewAGL's Shoalhaven gas zone.

62 These are households on a two-rate (controlled load) tariff in Endeavour Energy's electricity distribution network.

63 These are households in Essential Energy's electricity distribution network and the following gas zones: Jemena/AGL, ActewAGL's Goulburn and Shoalhaven zones.

64 These are households in Essential Energy's electricity distribution network and Origin Energy's Cooma gas zone.

65 These are households in Essential Energy's electricity distribution network and ActewAGL's Goulburn gas zone.

66 These are households in Essential Energy's electricity distribution network and Origin Energy's Temora and Tumut gas zones.

67 These are households in Essential Energy's electricity distribution network and Origin Energy's Wagga Wagga gas zone.

68 These are households in Essential Energy's electricity distribution network and Origin's Tamworth gas zone.

- ▲ Dual fuel households in Albury and Jindera will typically experience a decrease in annual *energy costs* of \$20 from July 2020.⁶⁹
- ▲ Dual fuel households in Moama and other Murray Valley towns will typically experience a decrease in annual *energy costs* of \$50 from July 2020.⁷⁰

⁶⁹ These are households in Essential Energy's electricity distribution network and Origin Energy's Albury gas zone.

⁷⁰ These are households in Essential Energy's electricity network and Origin's Murray Valley gas zone.

7. COVID-19 related assistance

Households in NSW struggling to pay their energy bills due to reduced income caused by COVID-19, or otherwise, may be eligible for a \$50 Energy Accounts Payment Assistance (EAPA) voucher.⁷¹ Households that have already received an EAPA voucher this financial year and have since been impacted by COVID-19 can be assessed for another application.⁷²

Households experiencing financial hardship should also contact their retailer to discuss payment plans or other hardship arrangements. The AER has issued a statement of expectations that retailers do not disconnect customers for non-payment until 31 October 2020 (and potentially beyond) if they have contacted their retailer or are receiving support from their retailer.⁷³

- ▲ Agree to a period in which no payment will be made, if this is what customers' circumstances require.
- ▲ Defer referrals to debt collection agencies until 31 October and potentially beyond.
- ▲ Not undertake any default listing for customers with payment difficulties until 31 October and potentially beyond.

71 See <https://www.service.nsw.gov.au/transaction/energy-accounts-payment-assistance-eapa-scheme>

72 See <https://energy.nsw.gov.au/government-and-regulation/covid-19-information/advice-covid-19-energy-customers>

73 See AER, Statement of Expectations of energy businesses: Protecting customers and the market during COVID-19, Updated July 2020 at <https://www.aer.gov.au/system/files/AER%20Statement%20of%20Expectations%20-%20From%201%20August%202020.pdf>