



Retail Choice Project

Foresighting
Forum: Making
Provider Data
Available for
Policy Analysis

February 2019

Confidential



ENERGEIA

© Energieia 2018. All Rights Reserved

The Project

- Objective:
 - To understand the impacts of network tariff migration on customer's retail bills
- Approach:
 - Bill impact analysis

The Data

- Key Inputs:
 - Customer Load Profiles
 - Retail Offers
 - Network Tariffs
- Wish List:
 - Updated Load Profiles
 - Retail Market Transparency

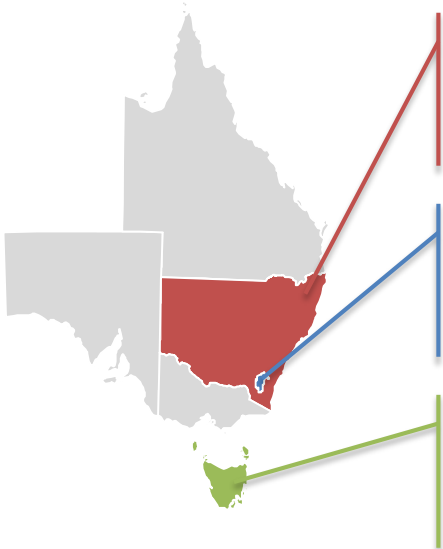
What We Did

- Load Profiles:
 - 2012 SGSC LPs
- Retail Offers:
 - Standing Offers
- Network Tariff Assignment:
 - Assumed 100% churn



Gathering the Evidence – Network CRP Tariffs (1/2)

Research Focuses on Upcoming Regulatory Determinations



**Ausgrid / Endeavour / Essential –
Final Determination due 30 April 2019**
Default Tariffs – Flat or Inclining Block
Opt-out New / Replacement – Time-of-Use

EvoEnergy – Final Determination due 30 April 2019
Default Tariffs – Flat or ToU
Mandated New / Replacement – Max Demand

TasNetworks – Final Determination due 30 April 2019
Default Tariffs – Flat or ToU
Opt-in Tariffs – Monthly Max Demand







- Q3 2018 Project targeted jurisdictions with upcoming regulatory determination processes (i.e. Q3 FY19)
- Network tariff reform approaches varied by jurisdiction

NB: (i) Final Determinations for Energex, Ergon Energy, SA Power Networks are due 30 April 2020;
(ii) Final Determinations for CitiPower, Powercor, Jemena, AusNet Services, United Energy are due 31 October 2020 (before the Victorian AMI Tariff OIC expires in 2021)



Gathering the Evidence – Retail Market Offers (2/2)

A Representative Set of Retailers were Targeted

State	Networks	Retailers
	Ausgrid Endeavour Energy Essential energy	Top-3 Gentrailers in the NEM 
	EvoEnergy	Gentrailers and Gov't Owned Retailer 
	TasNetworks	Government-Owned Retailers 

- 14 unique combinations of networks and retailers analysed
- Residential and business retail offers and network tariffs
- 175 combinations were analysed in total

Key Inputs into the Analysis

Input	Date	Source	Comments
Customer Half-Hourly Load Profiles	2012	Smart Grid, Smart City (Ausgrid)	Few public domain data sets
Retail Structures and Rates (small customers)	FY18	Retailer Websites	Market vs. Standard Offers
Network Tariff Structures and Rates	FY18	Annual Pricing Reports (DNSPs)	Updated annually
Retail Margins	Estimated	Energeia	Cross-checked vs. ACCC
Retailer Costs by Cost Category	2017	Finncorn (2017) ¹	By Cost to Compete/ Maintain
Average MWh per Customer by Tariff Type	-	Energeia Analysis	RIN Data
Generation Prices and Volumes	2018	AEMO	RRP

Note: 1. Finncorn (2017) 'State of Play. Quantifying the Competitive Outcomes of Retailing in the NEM'



ENERGEIA

© Energeia 2019. All Rights Reserved.

Key Inputs into the Analysis

Input	Date	Source	Comments
Customer Half-Hourly Load Profiles	2012	Smart Grid, Smart City (Ausgrid)	Few public domain data sets
Retail Structures and Rates (small customers)	FY18	Retailer Websites	Market vs. Standard Offers
Network Tariff Structures and Rates	FY18	Annual Pricing Reports (DNSPs)	Updated annually
Retail Margins	Estimated	Energeia	Cross-checked vs. ACCC
Retailer Costs by Cost Category	2017	Finncorn (2017) ¹	By Cost to Compete/ Maintain
Average MWh per Customer by Tariff Type	-	Energeia Analysis	RIN Data
Generation Prices and Volumes	2018	AEMO	RRP

Note: 1. Finncorn (2017) 'State of Play. Quantifying the Competitive Outcomes of Retailing in the NEM'



ENERGEIA

© Energeia 2019. All Rights Reserved.

Analytical Assumptions

	Key Assumption	Summary	Comments
Load Profiles	Geographic Bias	45 commercial and 45 residential load profiles scaled from Ausgrid data were used to assess bills for ACT and TAS	<ul style="list-style-type: none"> • Smart Grid Smart City dataset (2012) • ACT and TAS different to NSW!
	Limited Sample Size	45 profiles were randomly selected for residential and commercial customer classes	<ul style="list-style-type: none"> • Random is hopefully unbiased • Does not reflect customer segmentation
Retail Offers	Price Transparency	Retailers post their standing offers, but most customers are on market offers	<ul style="list-style-type: none"> • Benchmarked market vs. standing offers • Standing offers used in the analysis



Thank You



ENERGEIA

Energeia Pty Ltd
Suite 2, Level 9
171 Clarence Street
Sydney NSW 2000
Australia

P +61 2 8097 0070
energeia@energeia.com.au