South Australian Energy Prices July 2022

An update report on the South Australian Tariff-Tracking Project

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Disclaimer

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

Acknowledgements

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

Contents

The SA Tariff-Tracking Project: Purpose and outputs

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

We have developed workbooks that allow the user to enter consumption levels and analyse household bills for regulated/standard gas and electricity offers from July 2009 to July 2021, as well as current published electricity and gas market offers post the price resets in July 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022.[1] A 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: Electricity standing offers July 2009-July 2022
Workbook 2: Gas standing offers July 2009-July 2022
Workbook 3: Electricity market offers post July 2012-July 2022 [2]
Workbook 4: Gas market offers post July 2012-July 2022
Workbook 5: Solar market offers post July 2016-July 2022

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

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

1. All market offers are published offers and do not include special offers that retailers market through door-knocking campaigns or brokers. We use the retailers' own websites to collect market offer for the Tariff-Tracking tool. If the retailer has more than one market offer we use the offer that produces the lowest annual bill and/or the offer the retailer promotes as it's best offer.
2. This workbook also contains electricity market offers that took effect upon the deregulation of the retail market in February 2013.

Key findings

In terms of general trends, the South Australian tariff analysis found that:[3]

- The Default Market Offer (DMO) bill **increased by approximately 8%** for both single rate and controlled load on 1 July 2022. **See charts 1 and 2 in section 1 below.**[4]
- DMO customers with a typical consumption level (6,000kWh/annum) will have **an annual electricity bill of approximately $2,590.**[5]
- **Due to a sharp increase in wholesale prices in recent months, many retailers have actively encouraged customers to leave or ceased offering market offers altogether.** Retailers are, however, obliged to offer customers a standing offer based on the regulated DMO. That said, the DMO is based on a set consumption level and the standing prices can therefore vary significantly for customers with higher consumption. **The maximum price spread (difference between best and worst retail offer) is currently $30 for households using 4,000 kWh per annum (i.e. the DMO consumption level) and $250 for households using 6,000 kWh per annum. See section 1.**
- For gas, Origin Energy's standard contract offers have remained static since last year (July 2021). **See chart 4 in section 1.**
- Standard contract customers with a typical consumption level (21,000Mj/annum) will have **an annual gas bill of approximately $1,370.**[6] **See chart 4 in section 1.**
- **The average annual bill for market offer customers consuming 6,000kWh per annum is currently around $2,650. That is $480 more than last year, an increase of 22%.**[7] This is also more than the average DMO annual bill for the same usage, although this is due to three very high, outlier market offers. **See section 2.1.**
- **The difference between the best and the worst market offer is approximately $1,230 per annum.**[8] The difference, or the price spread, is thus higher than last year when it was $750. If we exclude the single worst and the single best market offer, however, the maximum price-spread is reduced to $675. **See chart 5 in section 2.1.**
- For average consumption households (6,000kWh/annum for single rate), **the worst electricity DMO/standard contract offer is $370 per annum more than the best published market offer.** Households currently on AGL's DMO can save $210 if switching to the best market offer. **See chart 6 in section 2.1.**
- In regards to households with **controlled off-peak load, typical consumption households (7,500kWh per annum) currently on AGL's DMO can save approximately $235 per annum if switching to the best market offer.**[9] The difference between the best and the worst market offer is $1,650 per annum for this meter type. **See chart 7 in section 2.1.**
- For **gas, the average annual market offer bill for households consuming 21,000 Mj per annum is currently $1,295.** That is $200 more than last year.[10] **See section 2.2.**

3. These calculations are based on changes to the DMO/standard contract offer for single rate electricity customers using 6,000kWh per annum, changes to the DMO/standard contract for controlled load electricity customers (typically all-electric households) using 7,500kWh per annum (thereof 20% off-peak) and changes to the standing offer for gas customers using 21,000Mj per annum.
4. Based on AGL's DMO/standard contract offers.
5. Based on average DMO offer across all retailers (single rate tariff).
6. Based on average gas standing offer across all retailers.
7. Households using 6,000kWh per annum (single rate) and all market offer bills include additional discounts and/or pay on time discounts.
8. Ibid.
9. Based on AGL's standard contract offer and the best of the published market offers (including pay on time discounts).
10. Households using 21,000 Mj per annum and all market offer bills include additional discounts and/or pay on time discounts.

- Typical consumption households (21,000Mj) **can save $175** per annum if switching from Origin's standard contract to the best market offer.[11] **See chart 9 in section 2.2.**
- **The practice of retailers offering guaranteed and/or pay on time discounts on their offers has almost entirely ceased, with only two electricity retailers and one gas retailer offering such discounts.** **See tables 2 and 3.**
- **Increases to individual electricity and gas offers vary significantly between retailers,** in some cases by more than $1,000 per annum. **See section 3.1.**
- The price-spread between AGL's DMO and electricity market offer has increased since 2021, however it remains very low in a historical context. For gas, the price-spread has remained relatively stable since 2018 and the difference between Origin's standing and market offers is negligible.
- The daily electricity and gas supply charges vary significantly between retailers as well as retail offers. **The lowest market offer supply charge (including pay on time discounts) is approximately $170 per annum less than the highest supply charge for electricity. For gas, the difference is $100 per annum.** **See charts 14 and 15 in section 4.**
- **The electricity Network Use of System (NUOS) charges increased marginally in July 2022.** However, as AGL's DMO offer has increased as of July 2022, the NUOS proportion of the standing offer bill has decreased and **currently accounts for 39% of an average consumption customer's bill.** **See chart 16 in section 5.**
- **The gas Distribution Use of System (DUOS) charges increased slightly in July 2022.** and that the DUOS proportion of bills also increased slightly as Origin's standing offer remained largely static. **The DUOS proportion of gas retail bills is currently 46%.** **See chart 17 in section 5.**
- **For solar customers, the average annual bill is approximately $1,595 for households with 3 kW systems** and $1,890 for households with 1.5 kW systems installed.[12] **This means that the average annual bill is $1,050 less for solar households with 3 kW systems installed compared to non-solar households.** **See section 6.**
- Compared to last year, **the average market offer for solar customers with a 3kW system has increased by $350 (or 28%)** and for solar customers with a 1.5 kW system it has decreased by $320 (or 20%).[13] **See section 6.**
- **The average feed in tariff (FIT) rate has been declining since 2018. The current average is 5.2 c/kWh (across all retailers).** Furthermore, some retailers now offer a relatively high FIT rate for a set amount of kWh exported each day and a much lower FIT rate for export beyond that. Other retailers (e.g. Amber Energy and ReAmped Energy) have ceased to offer a FIT rate altogether. **See table 5 in section 6.**

11. Based on Origin's standard contract offer and the best of the published market offers (including pay on time discounts).
12. Adelaide households using 6,000kWh per annum (single rate) and all market offer bills include additional discounts and/or pay on time discounts.
13. Ibid.

1. Energy price changes from July 2021 to July 2022

On 1 July 2019, the Australian Energy Regulator's (AER) new Default Market Offer (DMO) took effect in South Australia. The DMO has replaced 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".[14] The Regulations stipulate that retailers must structure their prices to not exceed the annual DMO price for that consumption level.[15] In both July 2020 and July 2021, the price of the DMO decreased while it increased in July 2022.

The DMO prices for single rate and controlled load tariffs in South Australia are listed in table 1 below.[16]

TABLE 1 | Residential DMO prices in South Australia for 2021-22 (including GST)

	SAPN
SINGLE/FLAT RATE	
Annual bill	$1,840
Consumption level	4,000 kWh/annum
CONTROLLED LOAD^	
Annual bill	$2,275
Consumption level	6,000 kWh/annum

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

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 South Australia. That is 6,000 kWh per annum for single rate customers and 7,500 kWh per annum for households with controlled load.

AGL's current DMOs are approximately 8% higher than they were last year (July 2021). AGL's current DMO produces annual bills of between $2,590 and $2,890 (depending on meter type) and that is an annual increase of around $175 for single rate and $255 for control load customers with these consumption levels. Chart 1 and 2 below show annual bills for average consumption households on AGL's DMO as of July 2021 and July 2022, as well as the average DMO (across all retailers) in the same years. This year, AGL's DMO is approximately the same as the average DMO (for all retailers).[17]

14. AER, Default Market Offer Prices 2020-21, Final Determination, April 2020, 9
15. Ibid., 9
16. AER, Default Market Offer Prices 2022-23, Final Determination, May 2022
17. As South Australia deregulated the retail market in February 2013 and AGL was required to offer a transitional standing offer for two years post deregulation, the majority of South Australian households currently on an electricity standing offer are therefore AGL customers. As of Quarter 3 in 2020/21, around 85% of all standard contract electricity customers in South Australia were AGL customers. See AER, data for the Retail energy market performance update for Quarter 3, 2020-21, Types of contracts Q3 2020/21, Indicators s2.1, s2.2 and s2.6.

CHART 1 | Differences to the annual cost of AGL's DMO/standing contract electricity offers from 2021 to 2022. Based on annual consumption level of 6,000kWh for single rate and 7,500kWh per annum (thereof 20% controlled load), GST inclusive

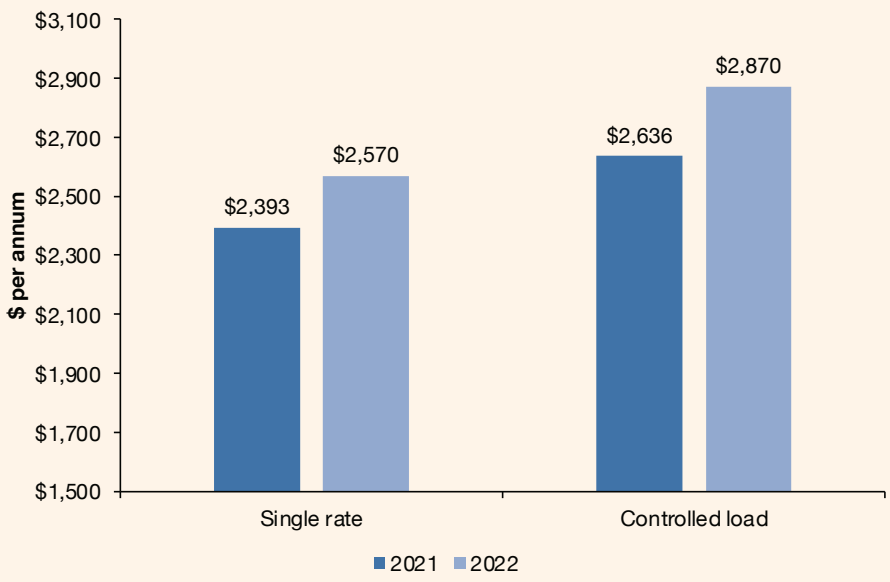
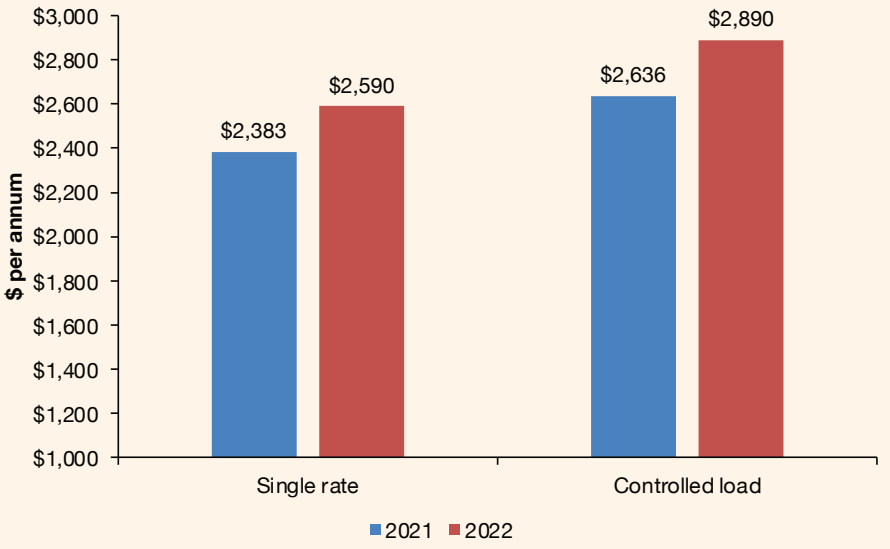


CHART 2 | Differences to the annual cost of the average (all retailers) DMO/standing contract electricity offer from 2021 to 2022. Based on annual consumption level of 6,000kWh for single rate and 7,500kWh per annum (thereof 20% controlled load), GST inclusive

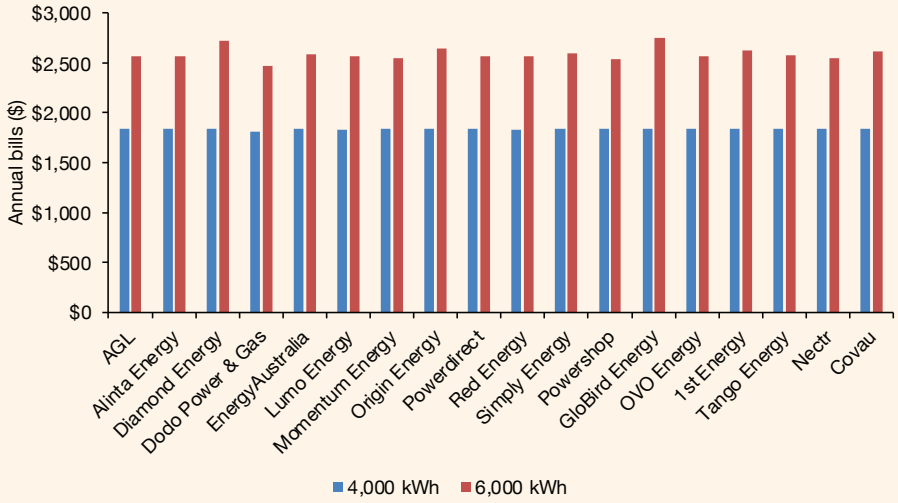


Due to the sharp increase in wholesale prices in recent months, many retailers have actively encouraged customers to leave or ceased offering market offers altogether. Retailers are, however, obliged to offer customers a standing offer based on the regulated DMO. That said, the DMO is based on a set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

A comparison of standing offers for households using 4,000 kWh per annum (i.e. the DMO consumption level) shows that the maximum price spread is $30. However when comparing the same standing offer rates for households using 6,000 kWh per annum, the maximum price spread rises to approximately $250. This is caused by the use of block rates that are triggered above the DMO consumption level by Diamond Energy and GloBird Energy in particular. For example, in the case of GloBird just over 500 kWh per annum will attract a second block rate of 90.2 cents per kWh by households using 6,000 kWh per annum.

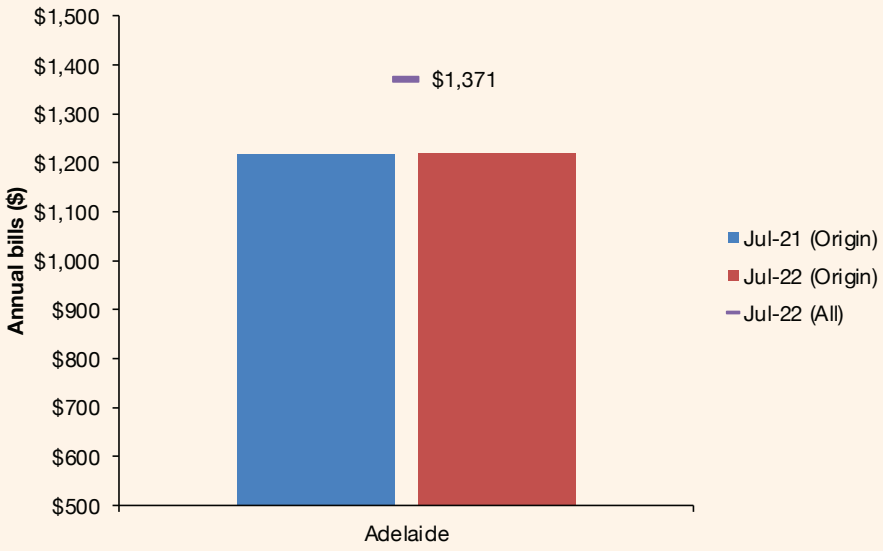
Chart 3 shows annual bills for retailers' standing offers based on the consumption level used to set the DMO (4,000 kWh per annum) as well as bills based on an annual consumption level of 6,000 kWh.

CHART 3 | Annual DMO/ standing offer bills for households consuming 4,000 kWh and 6,000 kWh per annum, July 2022, single rate, GST inclusive



In terms of gas, Origin's standing offer gas bills have remained the same for households with an annual consumption of 21,000Mj in July 2022. Chart 4 below shows Origin Energy's annual bills for the average consumption household on the gas standing offer as of July 2021 and July 2022, as well as the average standing offer (across all retailers) in July 2022.

CHART 4 | Differences to the annual cost of gas Standing offers/ Standard contracts from July 2021 to July 2022, 21,000Mj per annum, GST inclusive



2. Market offers post July 2022

2.1 Electricity market offers post July 2022[18]

- The number of retailers with published market offers has contracted from 26 last year to 15 this year.
- The difference between the worst DMO/standard contract offer and the best market offer is $370 per annum (households using 6,000kWh, single rate).[19]
- Customers on AGL's DMO for electricity can save $210 if switching to the best market offer.[20]
- The average annual bill for households consuming 6,000kWh per annum is currently around $2,650. That is $480 (22%) more than it was last year.[21]
- The difference between the best and the worst market offer is approximately $1,230 per annum.[22] The difference, or the price spread, is thus significantly higher than last year when it was $750.
- If we exclude the single worst and the single best market offer, however, the maximum price-spread is reduced to $675. Chart 5 below shows the retail market offer price-spread for electricity retail offers.

CHART 5 | Price-spread for fifteen electricity market offers post July 2022 (incl GST), including discounts and pay on time discounts - Households consuming 6,000kWh per annum (single rate)

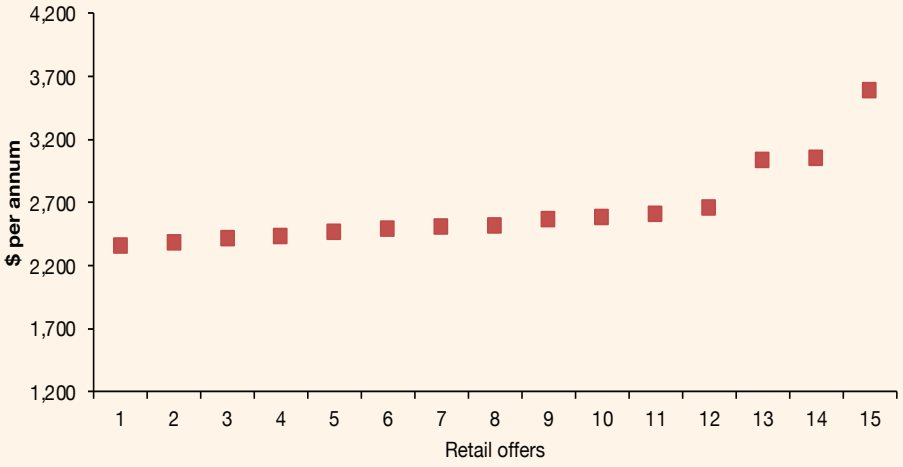


Table 2 below shows additional discounts applicable to the electricity retailers' published market offer rates. We note that the trend of fewer conditional pay on time discounts being offered and discounts being lower is continuing.

18. These market offers were collected from the retailers' websites or Energy Made Easy between 10 and 29 July 2022. It should be noted that retailers may change their rates at any time.
19. Based on the worst standing offer (single rate) and the best of the published market offers (including additional discounts and/or pay on time discounts).
20. Based on AGL's standing offer (single rate) and the best of the published market offers (including additional discounts and/or pay on time discounts).
21. Households using 6,000kWh per annum (single rate) and all market offer bills include additional discounts and/or pay on time discounts.
22. Ibid.

Table 2 also shows other contract terms and features, such as late payment 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 usually tied to other conditions such as payment by direct debit or e-billing. Since the introduction of the DMO many electricity retailers have moved away from pay on time discounts to offer a guaranteed discount or no discount at all, and this trend has intensified in July 2022. Currently Diamond Energy is the only retailer that offers a pay on time discount, and Simply Energy is the only retailer that offers a guaranteed discount.

There are also some retailers (Energy Locals, Amber Electric and Circular Energy) that have offers that include 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 July 2022: Key additional features and contract conditions

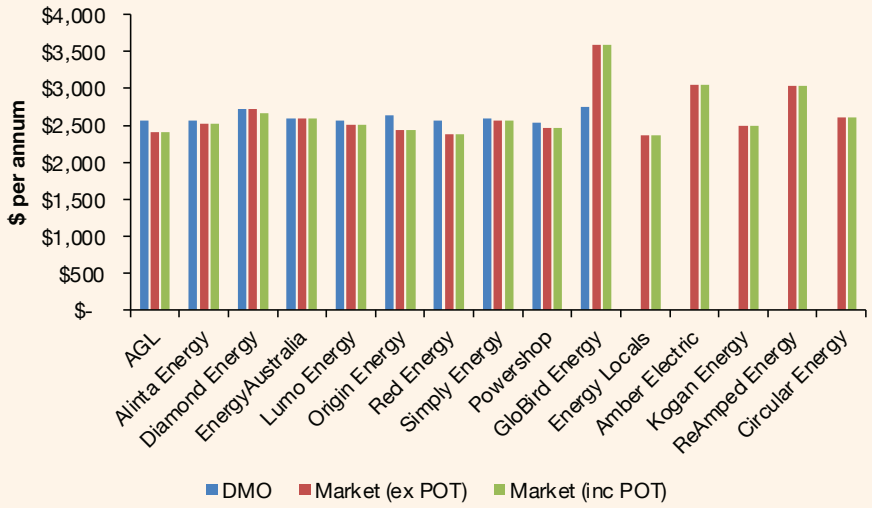
Retail product	Guaranteed discounts	Pay on time discounts	ETF*	LPF*	Shortened billing cycle^	Offer took effect
AGL Value Saver	No	No	No	$12.00	No	4/7/22
Alinta Energy Home Deal	No	No	No	No	Yes^	19/7/21
Diamond Energy Renewable Saver	No	2% off bill	No	$15.00	No	1/7/22
EnergyAustralia Flexi Plan	No	No	No	$12.00	No	1/7/22
Lumo Energy Plus	No	No	No	No	No	22/7/22
Origin Energy Go Variable	No	No	No	$12.00	No	7/7/22
Red Energy Living Energy Saver	No	No	No	No	No	1/7/22
Energy Locals Online Member	No	No	No	$16.00	No	19/7/22
Simply Energy RAA	1% off bill	No	No	$12.00	No	1/7/22
Powershop Carbon Neutral	No	No	No	No	Yes^	16/6/22
Amber Electric Amber Plan	No	No	No	$16.00	Yes^	1/7/22
GloBird Energy GloSave	No	No	No	No	No	2/6/22
Kogan Energy Free Kogan First	No	No	No	No	Yes^	16/6/22
ReAmped Energy Advance	No	No	No	No	Yes^^	23/6/22
Circular Energy Community Energy	No	No	No	$20.00	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
^ If yes, the offer has a mandatory shortened billing cycle (monthly billing) ^^ Fortnightly billing cycle

2.1.1 Potential savings - Differences between electricity offers

Households currently on AGL's DMO can save $210 if switching to the best market offer.[23] The difference between the worst standing offer (GloBird Energy) and the best market offer (Energy Locals) is approximately $385 per annum.[24] Chart 6 below shows annual retail bills for typical consumption households (households using 6,000kWh). The blue columns to the left represent the DMO bill, the red columns are the market offers including guaranteed discounts (but not pay on time discounts) while the green columns are market offer bills including guaranteed and pay on time discounts.[25]

CHART 6 | Estimated annual bills (incl GST) for standing and market offers post July 2022, including discounts and pay on time discounts - Households consuming 6,000kWh per annum (single rate)[26]



The difference between the best and the worst market offer is more significant. Energy Local's offer is approximately $1,230 less than GloBird Energy's market offer post discounts (and pay on time discounts) for households with this consumption level. Compared to last year (July 2021), the average market offer (inclusive of additional discounts) has increased by $480 or 22%.

23. Based on market offer bills that include discounts and pay on time discounts.
24. Based on the worst standing offer (single rate) and the best of the published market offers (including additional discounts and/or pay on time discounts).
25. These market offers were collected from the retailers' websites or Energy Made Easy between 10 and 29 July 2022. 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 2.
26. Note that some retailers do not have a published DMO. Retailers' with DMOs only (i.e. no market offers) have been excluded from this analysis.

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 6,000kWh per annum (single rate) [27]

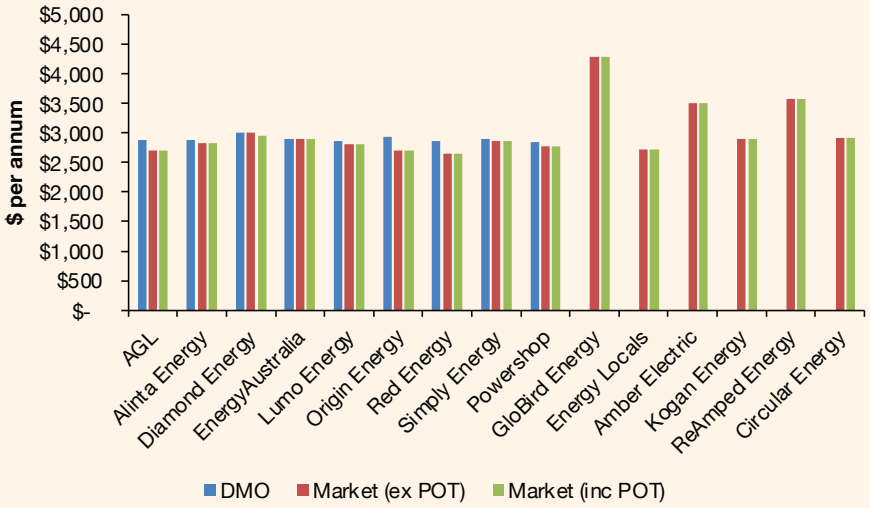
Energy Locals	$2,362		Kogan Energy	$2,497		Circular Energy	$2,610
Red Energy	$2,381		Lumo Energy	$2,514		Diamond Energy	$2,664
AGL	$2,415		Alinta Energy	$2,520		ReAmped Energy	$3,039
Origin Energy	$2,431		Simply Energy	$2,566		Amber Electric	$3,054
Powershop	$2,465		EnergyAustralia	$2,590		GloBird Energy	$3,594

Chart 7 below shows a similar trend for households with controlled load (using 7,500kWh per annum and thereof 20% controlled load).

The difference between the worst standing offer and the best market offer is $370 per annum (for households with controlled off-peak load using 7,500kWh per annum).[28] Households currently on AGL's standing offer can save $235 if switching to the best market offer. The difference between the best and the worst market offer is approximately $1,650 and Red Energy's offer produces the lowest bill while GloBird Energy's rates produce the highest bill for households with controlled off-peak load.

The blue columns to the left represent the standing offer bill, the red 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.[29]

CHART 7 | Estimated annual bills (incl GST) for standing and market offers post July 2022, including discounts and pay on time discounts - Households consuming 7,500kWh per annum (20% controlled off peak)[30]



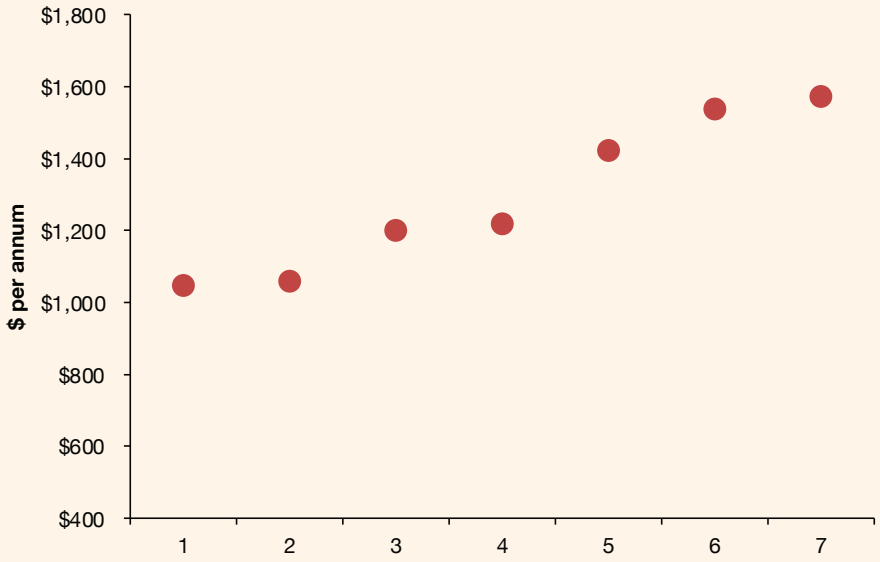
27. These market offers were collected from the retailers' websites or Energy Made Easy between 10 and 29 July 2022. It should be noted that retailers may change their rates at any time.Additional discounts for customers choosing to pay by direct debit are not included in these bill calculations.
28. Based on market offer bills that include discounts and pay on time discounts.
29. These market offers were collected from the retailers' websites in July 2022. Discounts have been applied to consumption and/or total bill as per offers listed in table 3.
30. Note that some retailers do not have a published DMO. Retailers' with DMOs only (i.e. no market offers) have been excluded from this analysis.

2.2 Gas market offers post July 2022[31]

There are very few gas market offers in South Australia and the only area where there is more than one market offer is greater Adelaide (households in the other areas only have access to Origin's market offer). As such, the below analysis only comprises standard contracts vs. market offers in the greater Adelaide area.

- The average annual bill for households consuming 21,000 Mj per annum is currently $1,295. That is $200 more than it was last year.[32]
- The difference between the best and the worst gas market offer is $530 per annum (compared to $175 last year). See chart 8 below.
- Typical consumption households (21,000 Mj) can save $175 per annum if switching from Origin's standing offer to the best market offer.[33] See chart 9 below.

CHART 8 | Price-spread for seven gas market offers post July 2022 (incl GST), including discounts and pay on time discounts - Households consuming 21,000Mj per annum.



The discounts (including pay on time discounts) used to estimate the annual bills are shown in table 3 below. As is the case for electricity, gas market offers contain fewer discounts as well as other conditions compared to previously. Table 3 also shows other contract terms and features associated with these market offers.

31. These market offers were collected between 12 and 16 July 2022 and it should be noted that retailers may change their rates at any time.
32. Households using 21,000 Mj per annum and all market offer bills include additional discounts and/or pay on time discounts.
33. Based on the regulated offer and the best of the published market offers (including pay on time discounts).

TABLE 3 | Published gas market offers in the Adelaide gas zone post July 2022: Key additional features and contract conditions

Retail product	Guaranteed discount	Pay on time discounts	ETF^	LPF^	Offer took effect
AGL Value Saver	No	No	No	$12.00	4/7/22
Energy Australia Flexi Plan	4% off bill	No	No	$12.00	1/7/22
Origin Go Variable	No	No	No	$12.00	1/7/22
Simply Energy Basic	No	No	No	$12.00	1/7/22
Red Energy Living Energy Saver	No	No	No	No	1/7/22
Lumo Energy Plus	No	No	No	No	1/7/22
GloBird Energy GloSave	No	No	No	No	16/6/22

^ 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

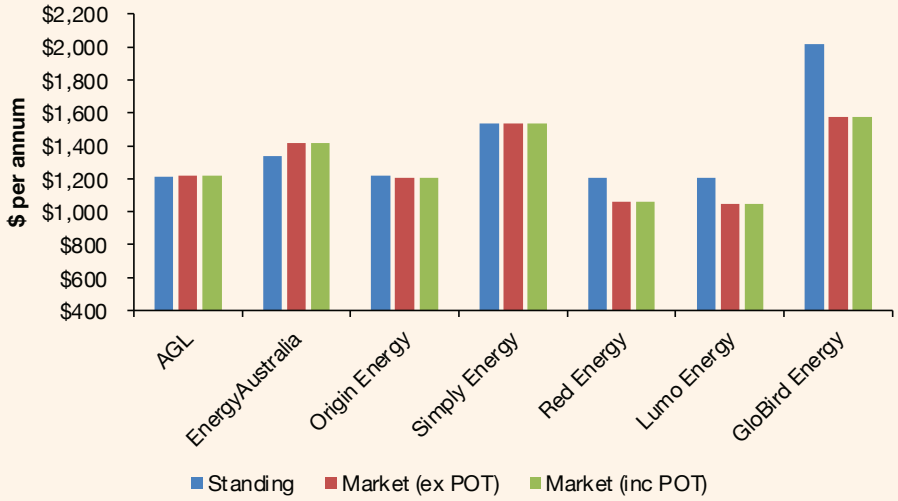
2.2.1 Potential savings - Differences between gas offers

Chart 9 below shows annual retail bills for typical consumption (21,000Mj per annum). The blue columns to the left represent the standing offer bill, the red columns are the market offers including guaranteed discounts (but not pay on time discounts) while the green columns are market offer bills including guaranteed and pay on time discounts.[34]

It shows that typical consumption households (21,000Mj per annum) on the worst standing offer can save $970 per annum if switching to the best published market offer.[35] Households currently on Origin's standing offer can save $175 if switching to the best market offer. Lumo Energy is currently the retailer with the best gas market offer.

34. These market offers were collected between 12 and 16 July 2022 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 3.
35. Based on market offer bills that include discounts and pay on time discounts.

CHART 9 | Estimated annual bills (incl GST) for standing and market offers post July 2022, including discounts and pay on time discounts - Households consuming 21,000 Mj per annum (single rate)[36]



The difference between the best and the worst gas market offers is more significant. Lumo Energy's market offer is approximately $530 less than GloBird Energy's market offer (post discounts) for households with this consumption level. Figure 2 below shows estimated annual bills for gas market offers post discounts ranked from the lowest annual bill to the highest.

FIGURE 2 | Lowest to highest annual bills (incl GST) for gas market offers post July 2022, including discounts and pay on time discounts - Households consuming 21,000Mj per annum[37]

Lumo Energy	$1,045
Red Energy	$1,059
Origin Energy	$1,203
AGL	$1,217
EnergyAustralia	$1,420
Simply Energy	$1,537
GloBird Energy	$1,574

36. Retailers without market offers have been excluded from this analysis.
37. These market offers were collected between 12 and 16 July 2022 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. Retail market developments

This section reviews and analyses developments in the retail market, specifically changes to individual market offers and the price-spread between standing and market offers.

3.1 Changes to market offers July 2021 to July 2022

Chart 10 below shows changes to individual retailers' market offers from July 2021 to July 2022. It highlights that all electricity retailers except for Red Energy increased their market offers between July 2021 and July 2022.[38] Furthermore, it shows that there are significant differences in the size of the individual retailers' increases. GloBird and ReAmped, for example have increased their offers by more than $1,000 per annum, while AGL, Diamond, and Lumo Energy have made more restrained increases.

CHART 10 | Changes to electricity market offers' annual bills (inclusive of additional discounts), July 2021 to July 2022, based on 6,000kWh per annum, single rate, incl GST.[39]

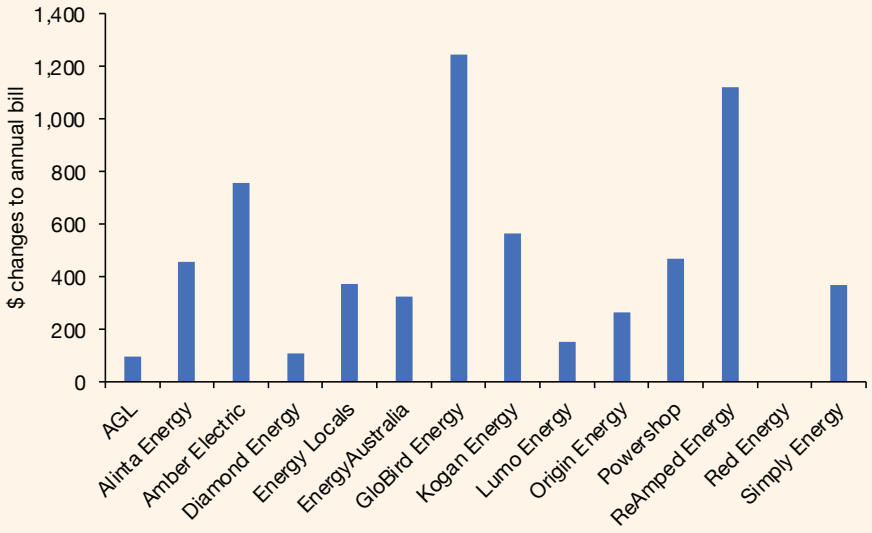
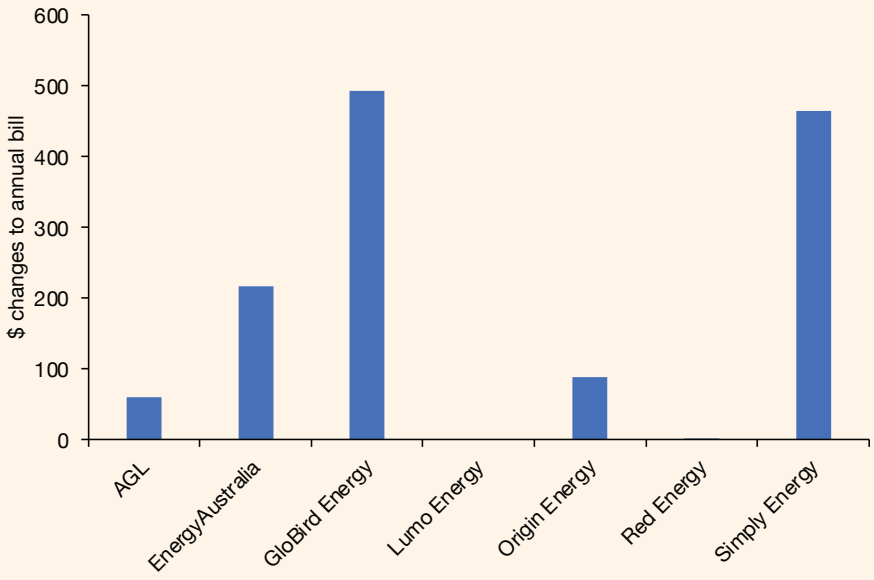


Chart 11 below shows that all gas retailers, except Red Energy and Lumo Energy, increased their market offers between July 2021 and July 2022.[40] It also shows that GloBird and Simply Energy's increases have been substantially higher than other retailers.

38. Note that this analysis only includes retailers that had published market offers in July 2021 as well as July 2022.
39. As many retailers have discontinued their 2021 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 etc.) in both July 2021 and July 2022. Where this has occurred, the offers used for this comparison (2021/2022) are: AGL (Super Saver/Value Saver), Energy Australia (Total Saver/Flexi Plan), Origin Energy (Go/Go Variable), Simply Energy (Energy Saver/RAA) and GloBird (UltraSave/GloSave).
40. Note that this analysis only includes retailers that had published market offers in July 2021 as well as July 2022.

CHART 11 | Changes to gas market offers' annual bills (inclusive of additional discounts), July 2021 to July 2022, based on 24,000 MJ per annum, incl GST[41]

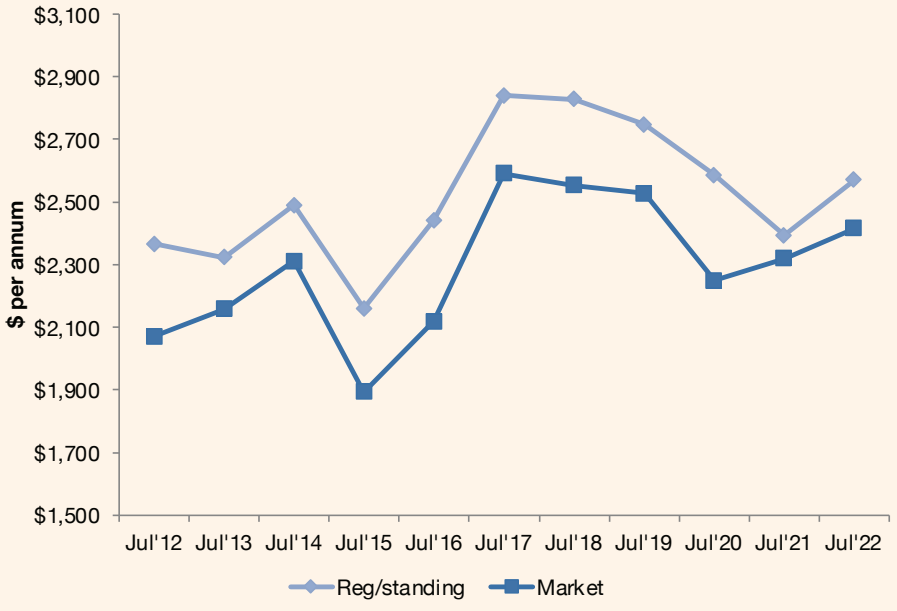


3.2 The price spread

This section analyses the price difference between electricity (AGL) and gas (Origin) standing offers and market offers over time.

Chart 12 below shows the difference to annual bills for typical consumption households on AGL's standing offer and market offer (including pay on time discounts) from July 2012 to July 2022.[42] It shows that AGL's market offer is currently $155 less than the regulated offer, and that while this represents a slight increase on 2021, the price spread remains at a historically low level.

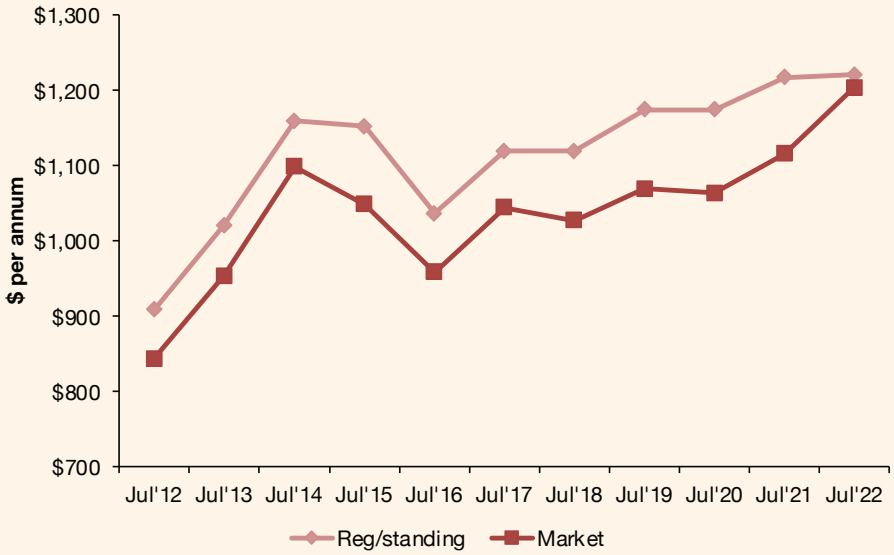
CHART 12 | Electricity: Estimated annual bills for AGL's DMO/standard offer and market offer customers using 6,000 kWh per annum (single rate)



41. As many retailers have discontinued their 2021 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 etc.) in both July 2021 and July 2022. Where this has occurred, the offers used for this comparison (2021/2022) are: AGL (Super Saver/Value Saver), Energy Australia (Total Saver/Flexi Plan), Origin Energy (Go/Go Variable), Simply Energy (Saver/Basic) and GloBird (UltraSave/GloSave).
42. Based on households consuming 6,000 kWh per annum. The July 2012 standing offer is the regulated rate.

Chart 13 below shows that for gas, the difference between the annual bill for customers on Origin's standing offer and Origin's market offer (including discounts and pay on time discounts) is now negligible at around $15 or 1.5%.

CHART 13 | Gas: Estimated annual bills for Origin's standing offer and market offer customers using 21,000 Mj per annum



4. Supply Charges

The supply charge is a fixed daily charge that is paid in addition to the consumption charges for electricity/gas used. High supply charges result in low consumption households paying a proportionally higher cost per unit of energy than high consumption households. This has significant equity implications as some customer classes characterised by low and fixed income also use less electricity than the South Australian average. Pensioners make up one of these lower consumption groups.[43]

4.1 Electricity supply charges

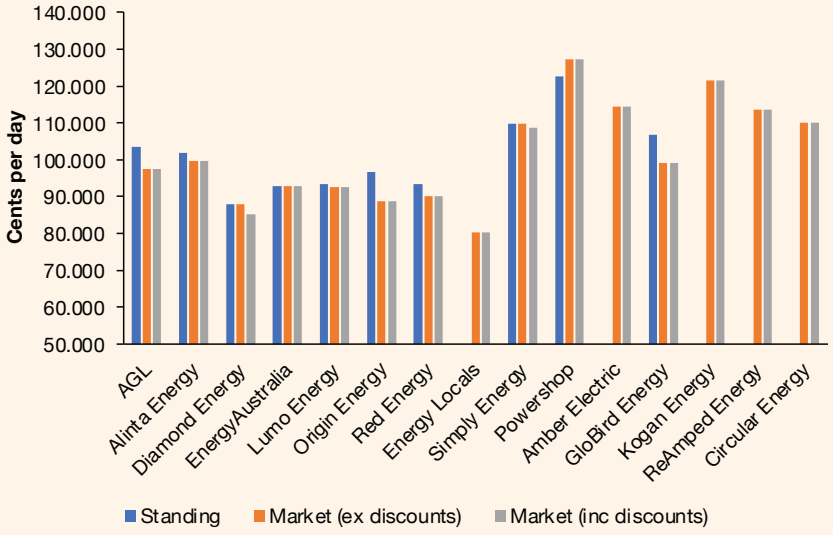
Consumers shopping around for a better market offer should thus be aware that some retail offers have significantly higher supply charges than other retailers and/or contract types.

Chart 14 below shows the daily supply charges (cents per day) for the various offers available post July 2022. The blue columns to the left represent the supply charge for standing offers, the orange columns are the market offers excluding discounts while the yellow columns are market offer bills including discounts.[44]

It shows that all retailers except Diamond Energy and Energy Australia apply higher supply charges to their standing offers than they do to market offers (although Diamond Energy's market offer supply charge also becomes lower than that on the standing offer if POT discounts are applied). The increasing trend to offer only small discounts, or none at all, means discounting now has a minimal impact on supply charges compared to previous years. For market offers, inclusive of discounts, the difference between the highest supply charge (Powershop) and the lowest (Energy Locals) is $170 per annum.[45]

43. ABS survey data shows that households with government pensions and allowances as their main source of income have a mean weekly electricity consumption of approximately 122kWh and that households with wages and salaries as their main income source use approximately 20kWh more per week (142kWh/week). See ABS, 4670.0 Household Energy Consumption Survey 2012, Table 8, September 2013. Furthermore, Victorian consumption surveys have found that concession card holders in general, and households on the aged concession in particular, have lower consumption than the general population. See Victorian Utility Consumption Household Survey 2007 by Roy Morgan Research for Dept. of Human Services, Final report, April 2008, p 75. The lower consumption levels among aged concession card holders relates to the average size of these households. Pensioners, as a customer group, are on average smaller households (fewer people) compared to the population on a whole and this has an impact on their consumption levels.
44. Not all of the retailers had DMO/standing offers listed on their websites. These market offers were collected between 12 and 16 July 2022 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 3.
45. Note that Energy Locals offer does include a membership fee in addition to the supply charge. This membership fee has not been included in this analysis.

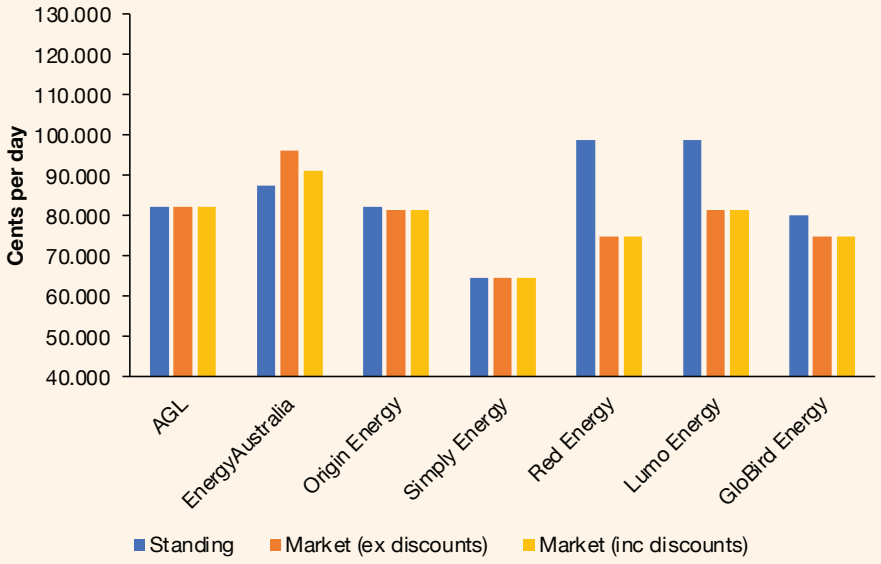
CHART 14 | Daily supply charges for electricity (single rate and controlled load), DMO/standing offers and market offers post July 2022 (incl. GST)[46]



4.2 Gas supply charges

Chart 15 shows that both Red Energy's and Lumo Energy's standing offer supply charge is 98.8 cents per day, which means that customers would pay approximately $125 more per annum in fixed supply charge on this offer compared to Simply's standing offer (which is just under 65 cents/day). In terms of market offers, the difference between the highest supply charge (Energy Australia) and the lowest (Simply Energy) is approximately $100 per annum. As with electricity, discounting has minimal impact on gas supply charges this year with only one retailer offering a discount (Energy Australia).

CHART 15 | Daily supply charges for gas, standing offers and market offers post July 2022 (incl GST)[47]



46. Retailers with standing offers but no market offers have been excluded from this analysis. Standing offer calculations do not incorporate membership fees associated with any of these offers.
47. Retailers without market offers have been excluded from this analysis.

5. Network charges

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

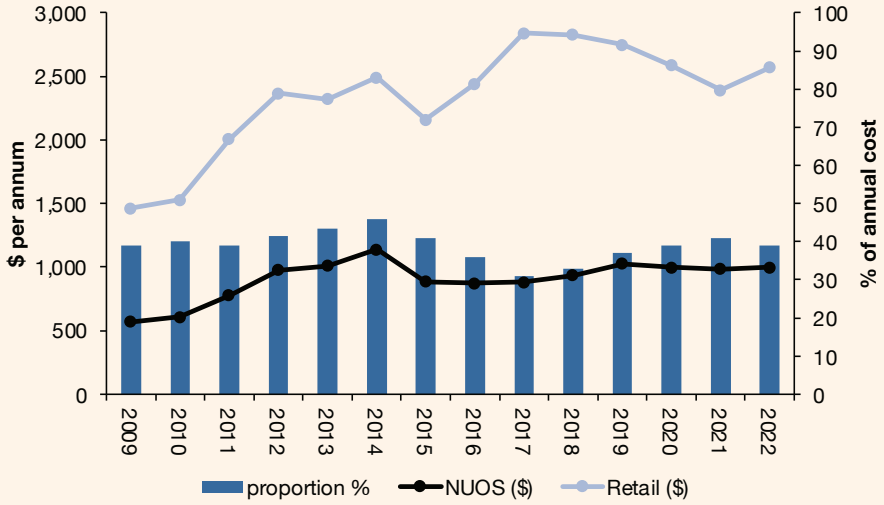
5.1 Electricity network charges

The South Australian electricity network, SA Power Networks, introduces new Network Use of System (NUOS) charges as of 1 July every year.[48] 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.

Chart 16 shows that the NUOS charge increased every year from 2009 to 2014 before significantly reducing in July 2015 and continuing to decrease until 2017. It increased again in 2018 and 2019, but in 2020 and 2021, the NUOS charge decreased. In 2022 the NUOS charge increased, albeit marginally. However, as AGL's DMO offer has increased as of July 2022, the NUOS proportion of the standing offer bill has decreased and currently accounts for 39% of an average consumption customer's bill.

Chart 16 shows annual retail bills (solid line), NUOS charges as annual cost (dotted line) and NUOS as proportion of annual bill (columns).

CHART 16 | SA Power Networks: Annual retail bills (incl. GST), NUOS charges (excl. GST) and NUOS as proportion of total bill from 2009 to 2022 (based on the regulated/standing/ DMO offer retail tariff, single rate, 6,000 kWh per annum)[49]

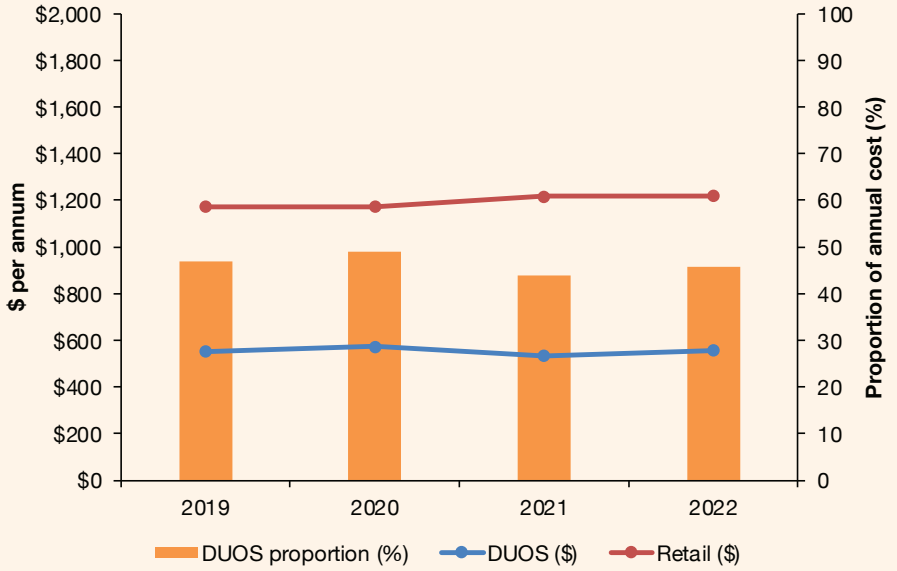


48. SA Power networks was previously known as ETSA Utilities
49. Based on AGL's regulated/standing offer/DMO rates from 2009 to 2022, presented as annual bills for households using 6,000kWh per annum (single rate). The annual NUOS charges have been calculated by allocating 1,500kWh per quarter (again based on annual consumption of 6,000kWh) to the step charges stipulated in the NUOS. The annual NUOS cost also includes fixed charges.

5.2 Gas network charges

As for electricity, the South Australian gas distributor, Envestra/AGN, introduces new Distribution Use of System (DUOS) charges as of 1 July every year. Chart 17 below shows that the DUOS charges increased slightly in July 2022, and that the DUOS proportion of bills also increased slightly as Origin's standing offer remained largely static. The DUOS proportion of gas retail bills is currently 46%.

CHART 17 | Envestra/AGN: Retail bill per annum (incl. GST), DUOS charges and DUOS as proportion of total bill (incl. GST) as of July 2019, July 2020, July 2021 and July 2022 (based on Origin's standing offer, 21,000 MJ per annum)[50]



50. Based Origin's standing offer as of July 2019, 2020, 2021 and 2022. Presented as annual bills for households using 21,000 MJ per annum. The annual DUOS charges have been calculated by allocating 5,250 MJ per quarter (again based on annual consumption of 21,000 MJ) to the step charges stipulated in the DUOS. The annual DUOS cost also includes fixed charges.

6. Solar Offers

There are approximately 341,000 small to medium scale solar systems in South Australia.[51] Many of these households are currently receiving a solar feed in rate (FIT) of 44 cents per exported kWh but as these schemes are closed to new entrants, customers currently looking for solar offers need to assess both the retailers' FIT rates as well as the cost of electricity imported.

This section analyses and compares market offer bills for South Australian 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 6,000kWh (including both produced and imported).
- For customers with controlled load, 20% of the total consumption has been allocated to the off-peak rate.
- Calculations have been produced for households with 1.5 kW and 3 kW systems only.
- For Adelaide households, an annual generation capacity per kW installed of 1.680 MWh and an export rate of 51.8% for 3 kW systems and 22.1% for 1.5 kW systems.
- For non-metropolitan households, an annual generation capacity per kW installed of 1.875 MWh and an export rate of 56.8% for 3 kW systems and 20.2% for 1.5 kW systems.
- Only FIT rates available to new customers have been included. Retailer funded FIT rates have been applied as per offer (see table 5 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.

The average FIT rate (across all retailers) has been declining since 2018. In July 2016, the average FIT rate was 7.8 c/kWh, in 2017 it was 13.1 c/kWh, in 2018 it was 14.3 c/kWh, in 2019 it was 13 c/kWh, in 2020 it was 10.6 c/kWh and in 2021 it was 8.5 c/kWh. As of July 2022 the average FIT rate has fallen to 5.2 c/kWh. Furthermore, some retailers (AGL, Origin Energy and Energy Locals) offer a higher FIT rate for a set amount of kWh exported each day and a lower FIT rate for export beyond that. Amber Electric and ReAmped Energy have ceased to offer a FIT rate altogether. Despite the decreasing average, FIT rates continue to vary significantly among those retailers who do offer them. For example, a household exporting 650 kWh per quarter would receive a quarterly FIT credit of $261 from AGL, Energy Australia and Origin Energy, but just $26 from GloBird Energy.

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

TABLE 4 | Retailers' FIT rates July 2022

Retailer*	Offer	1st FIT rate (c/kWh)	Threshold (kWh/day)	2nd FIT rate (c/kWh)
ReAmped Energy	Solar	0		
AGL	Solar Savers	10	14	5
Origin Energy	Solar Boost	10	14	5
EnergyAustralia	Solar Max	10		
Diamond Energy	Renewable Saver	5.2		
Alinta Energy	Home Deal	8		
Energy Locals	Online Member	9	10	6.5
Amber Electric	Amber Plan	0		
Simply Energy	RAA	6		
Lumo Energy	Plus	3		
Red Energy	Living Energy Saver	3		
Powershop	Carbon neutral	3		
GloBird Energy	GloSave	1		
Kogan Energy	Free Kogan First	2.06		
Circular Energy	Community Energy	7		

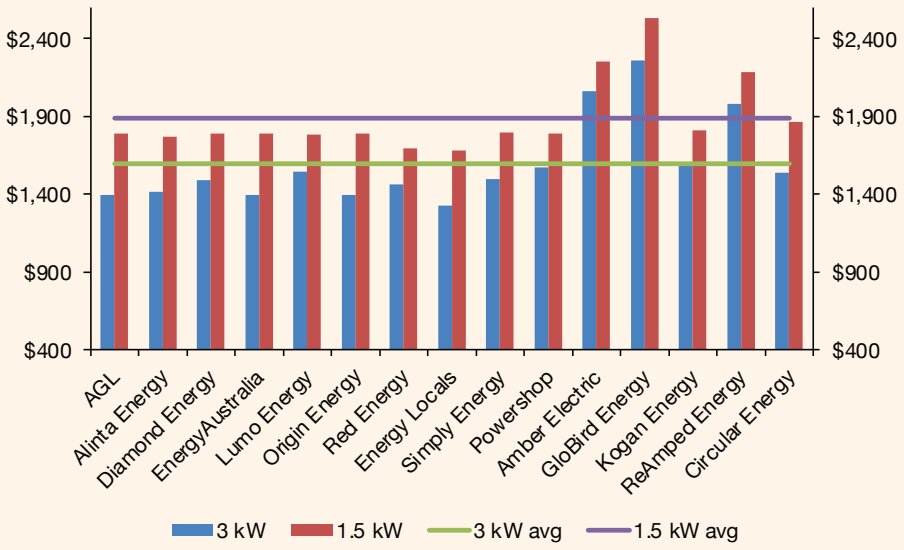
** Discover Energy has three FIT rates: 16 cents for the first 3.29 kWh exported each day, 10 cents for the next 3.29 kWh and 4 cents for any export beyond that.*

Chart 18 below compares annual retail bills for solar customers in Adelaide with 3 kW and 1.5 kW systems installed.[52] It shows that Amber Electric, GloBird and ReAmped's offers produce annual bills above the average for both 3 kW and 1.5 kW systems. Adelaide solar customers with 3 kW systems (and this consumption level) would be approximately $930 per annum better off on Energy Local's offer compared to GloBird's offer. Customers with a 1.5 kW system installed may save $850 per annum if they switched from GloBird's to Energy Local's offer.[53]

The average annual bill is approximately $1,595 for households with 3 kW systems and $1,890 for households with 1.5 kW systems installed. This means that the average annual bill is $1,050 less for solar households with 3 kW systems installed compared to non-solar households (see section 2.1 above). Compared to last year, the average market offer for solar customers with a 3kW system has increased by $350 (or 28%) and for solar customers with a 1.5 kW system it has increased by $320 (or 20%).[54]

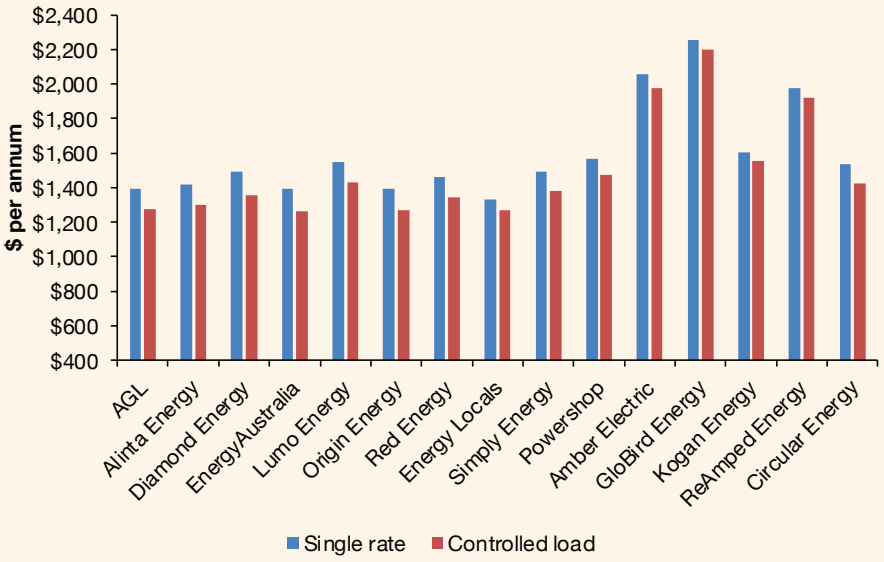
52. We note that these systems are small compared to the size of the typical systems that are currently being installed. However, as a key objective of the Tariff-Tracker is to compare developments over time, we continue to base the analysis on 3 kW and 1.5 kW systems.
53. Ibid.
54. The average annual market offer bill for non-solar households, by comparison, has increased by $480 since last year. See section 2.1.

CHART 18 | Annual bills including discounts and FIT credits for Adelaide customers with 3 kW and 1.5 kW solar systems. Electricity offers post July 2022 as annual bills, Single rate, 6,000kWh (GST inc).[55]



Charts 19 and 20 below show annual bills for Adelaide solar customers on single rate and controlled load offers.

CHART 19 | Annual bills including discounts and FIT credits for Adelaide customers with a 3 kW solar system. Electricity offers post July 2022 as annual bills, single rate and controlled load, 6,000kWh (GST inc).[56]



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

CHART 20 | Annual bills including discounts and FIT credits for Adelaide customers with a 1.5 kW solar system. Electricity offers post July 2022 as annual bills, single rate and controlled load, 6,000kWh (GST inc).[57]

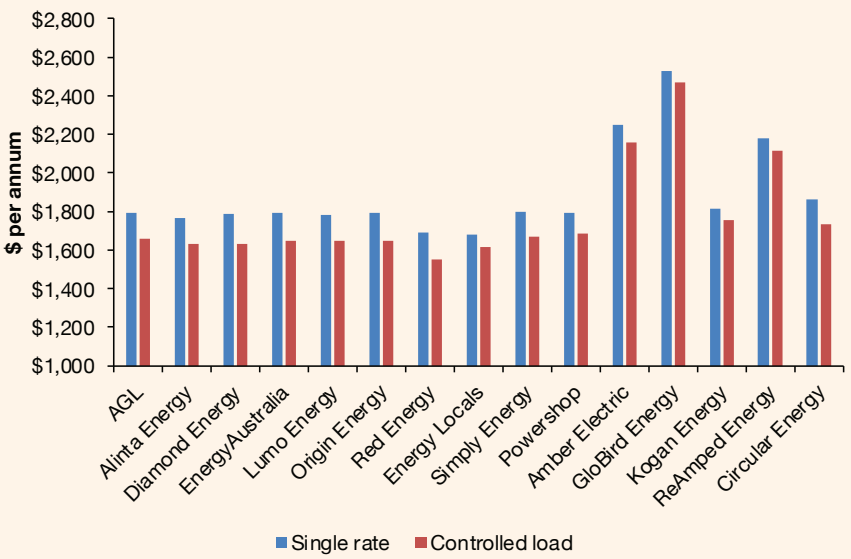


Figure 3 below shows estimated annual bills for solar market offers including FIT and discounts.

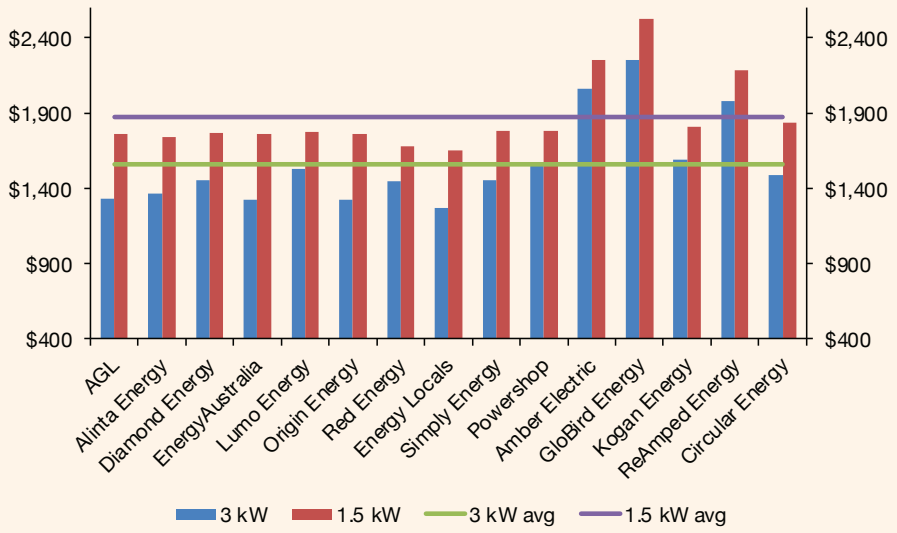
FIGURE 3 | Lowest to highest annual bills (incl GST) for solar market offers post July 2022, including discounts and pay on time discounts – Adelaide households with 3kW systems installed and consuming 6,000kWh annum (including both produced and imported), single rate[58]

Energy Locals	$1,329	Red Energy	$1,464	Powershop	$1,569
EnergyAustralia	$1,391	Diamond Energy	$1,490	Kogan Energy	$1,606
Origin Energy	$1,392	Simply Energy	$1,495	ReAmped Energy	$1,976
AGL	$1,395	Circular Energy	$1,535	Amber Electric	$2,059
Alinta Energy	$1,417	Lumo Energy	$1,546	GloBird Energy	$2,256

Homes outside Adelaide's metropolitan area will typically have less overshadowing and therefore a higher generation capacity and export rate. Chart 21 compares annual retail bills for solar customers outside Adelaide with 3 kW and 1.5 kW systems installed. It shows that the annual bills for solar customers are marginally lower in non-metropolitan areas but the same retailers produce higher than average bills and the price-spread is similar to that in metropolitan areas (see chart 17 above).

57. Ibid
58. These market offers were collected between 12 and 16 July 2022 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.

CHART 21 | Annual bills including discounts and FIT credits for regional and rural customers with 3 kW and 1.5 kW solar systems. Electricity offers post July 2022 as annual bills, single rate, 6,000kWh (GST inc).[59]



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