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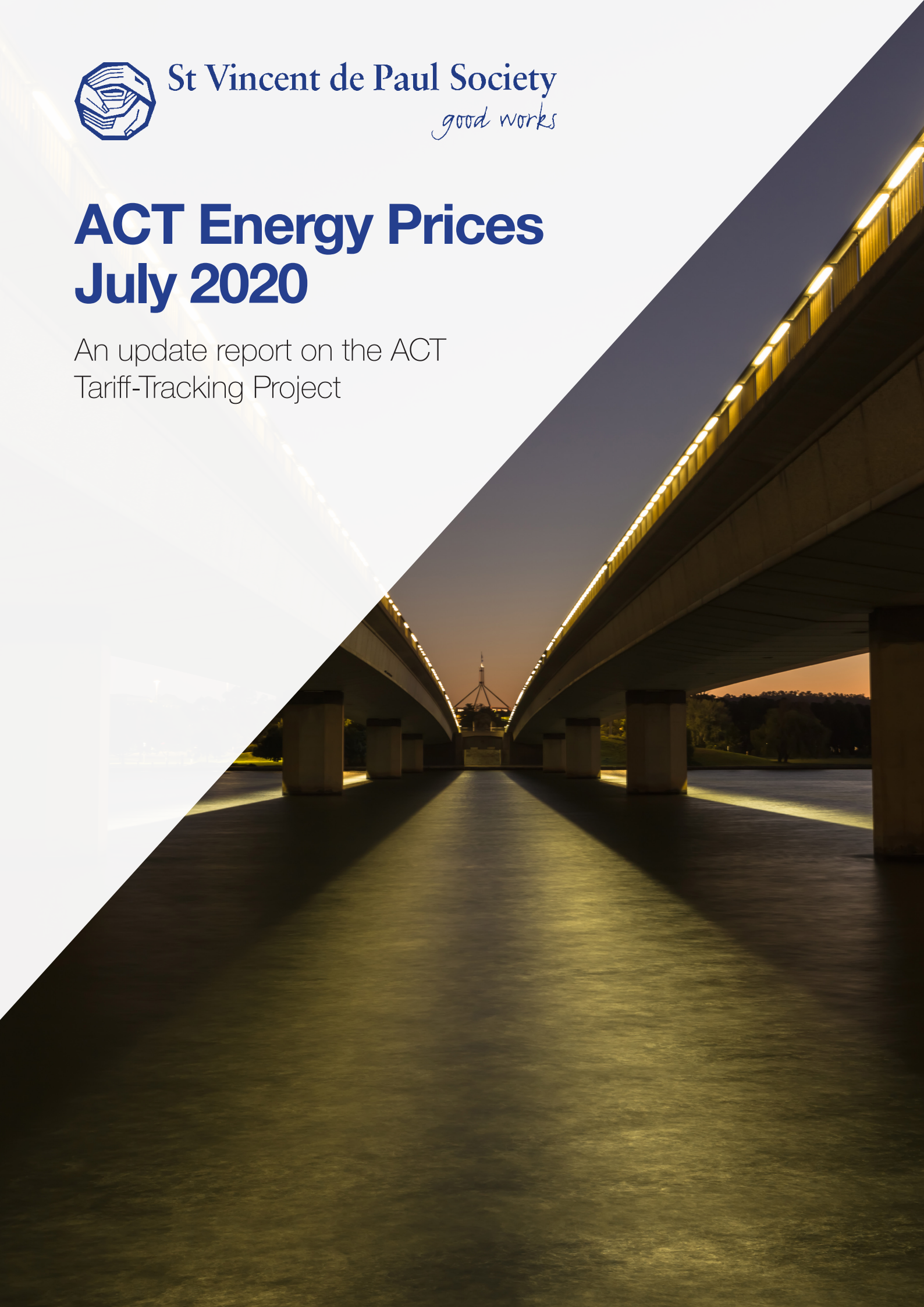
ACT Energy Prices July 2020

An update report on the ACT Tariff-Tracking Project



ACT Energy Prices July 2020
An Update Report on the ACT Tariff-Tracking Project

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Disclaimer

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

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 ACT Tariff-Tracking project

This project has tracked electricity and gas tariffs in the ACT from July 2009 to July 2020 and developed a spreadsheet-based tool that allows consumer advocates to build on the initial analysis while continuing to track changes as they occur.

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

We have also developed workbooks that allow the user to enter consumption levels and analyse household bills for regulated electricity and gas market offers from July 2009 to July 2019, as well as published electricity and gas market offers post the price resets in July 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020.[2] A recent addition to the Tariff-Tracking project is market offers available to new solar customers. The workbook allows users to calculate annual bills based on retailers' rates, feed in tariffs offered and additional discounts. Again, the user can enter consumption level as well as choosing to run the bill calculation based on 1.5 kW or 3 kW solar systems.

Workbook 1: Regulated electricity offers July 2009 - July 2020
Workbook 2: Gas offers July 2009 - July 2020
Workbook 3: Electricity market offers July 2013 - July 2020
Workbook 4: Gas market offers July 2013 - July 2020
Workbook 5: Solar offers post 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 Gas and electricity consumption for dual fuel households is based on a mix of ICRC figures (see ICRC, Compliance and Performance Report for 2010-11, Licensed Electricity, Gas, Water and Sewerage Utilities, November 2012), ACT Government Canberra Quick Stats 2009-2010 and our own estimates. Note, however, that the Tariff-Tracking tool (the workbooks) is designed so users can insert their own consumption levels.
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 ACT tariff analysis found that:[3]

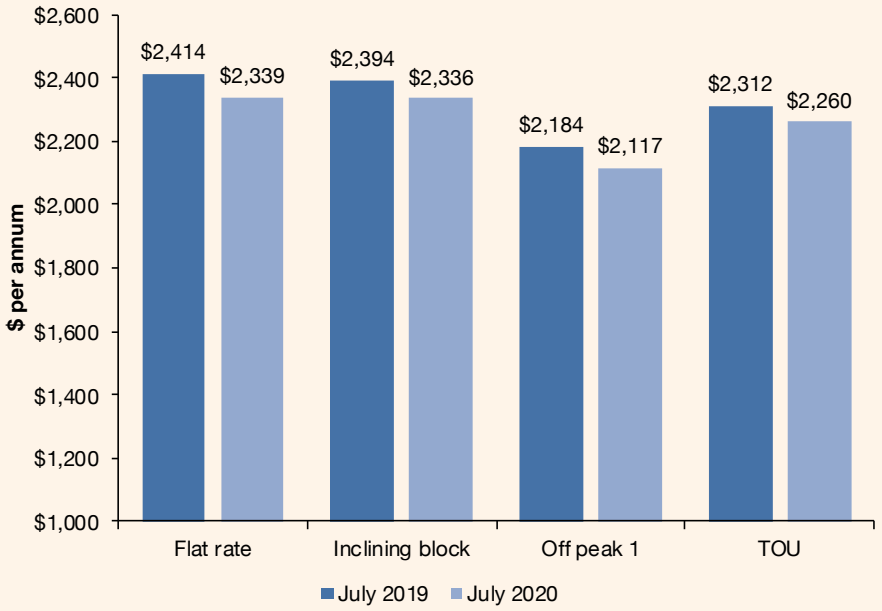
- The annual bill for households on **ActewAGL's regulated rate** (single/flat rate tariff) has typically decreased by **$75, or 3%**, since July 2019. **See chart 1 in section 1.**
- Households' annual **gas costs have remained unchanged** since July 2019. **See table 1 in section 1.**
- When **combining ActewAGL's regulated electricity rate and gas standing offer**, the total cost of energy, for average consumption households, **has decreased by 2% (or $70). See chart 3 in section 1.**
- There has been a **recent increase in retailers offering electricity contracts to households in the ACT.** Currently seven retailers, the host retailer ActewAGL, EnergyAustralia, Origin Energy, Red Energy, Energy Locals, Powerclub and Amber Electric are offering market contracts to residential electricity customers. For gas it continuous to be only three retailers in the ACT (ActewAGL, Energy Australia and Origin Energy).
- A typical consumption household can **save $550 per annum (23%)** on electricity costs **by switching from Amber Electric's market offer to Powerclub's market offer** (including discounts). **See chart 6 in section 2.1.**
- On average, a **market offer bill (inclusive of discounts) is $2,120** for households using 8,000 kWh and that is a **rise of $45, or 2%, since last year** (July 2019). **See section 2.1.**
- A typical consumption household can **save $295 per annum on gas costs by switching from ActewAGL to Origin Energy** (including discounts). **See chart 9 in section 2.2.**
- **Electricity customers on the flat rate or a time of use tariff will pay $360 per annum in fixed supply charges while customers on the inclining block tariff will pay approximately $450.** The gas supply charge has remained unchanged since July 2019. ACT households currently pay just over $315 per annum in order to be connected to natural gas. **See section 3.**
- In July 2020, the **NUOS charge increased while the retail bill decreased**, and the network use of system charge **(NUOS) currently accounts for 33% of the bill** for an average consumption household. **See section 4.**
- The **average annual bill is approximately $1,245 for solar households** with 3 kW systems installed. This means that the **average annual bill is $870 less for solar households with 3 kW systems installed compared to non-solar households. See section 5.**
- Compared to last year (July 2019), the **average market offer for solar customers (3 kW systems) has decreased by $75 or 6%. See section 5.**
- ActewAGL, EnergyAustralia, Origin Energy, Red Energy, Energy Locals and Powerclub offer FIT rates of 8, 10.5, 11, 9.4, 16 and 7 cents per kWh for their respective offers. **A household with a 3kW solar system installed will receive approximately $240 per annum in FIT credits from ActewAGL, $315 from EnergyAustralia, $330 from Origin Energy, $280 from Red Energy, $475 from Energy Locals and $210 from Powerclub.**

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

1. Energy price changes from July 2019 to July 2020

Chart 1 below shows increases to the regulated electricity rates from July 2019 to July 2020 for each of the four tariff types. The annual bill for all-electric households with a typical consumption level will range from $2,120 to $2,340, depending on the tariff type. Average consumption households on a single/flat rate electricity tariff, will experience a decrease of $75 (3%) to their annual billl.

CHART 1 | Changes to the annual cost of regulated electricity offers for all-electric households from 2019 to 2020, based on annual consumption level of 8,000kWh, GST inclusive.[4]



Gas prices remain unchanged from 1 July 2020. A household using 48,000Mj per annum will continue to have an annual gas bill of $1,995.

Charts 2 and 3 below show changes in electricity and gas costs for dual fuel households. As these households typically use less electricity compared to all-electric households, the decreases to the electricity bill will naturally be lower. Typical consumption dual fuel customers can expect a decrease of $50 – $70 to their annual electricity cost (chart 2). When combining the electricity and gas costs, the total cost of energy, for average consumption households on a single/flat rate electricity tariff, has decreased by 2% or $70 (see chart 3).[5]

4 Thereof 30% off-peak and 70% flat rate for households with controlled load (off-peak 1) and 20% peak, 50% shoulder and 30% off-peak for households on a Time of Use (TOU) tariff.
5 Based on annual consumption of 6,500kWh on a single/flat rate tariff.

CHART 2 | Changes to the annual cost of regulated electricity offers for **dual fuel households** from 2019 to 2020, based on annual consumption level of 6,500kWh, GST inclusive.[6]

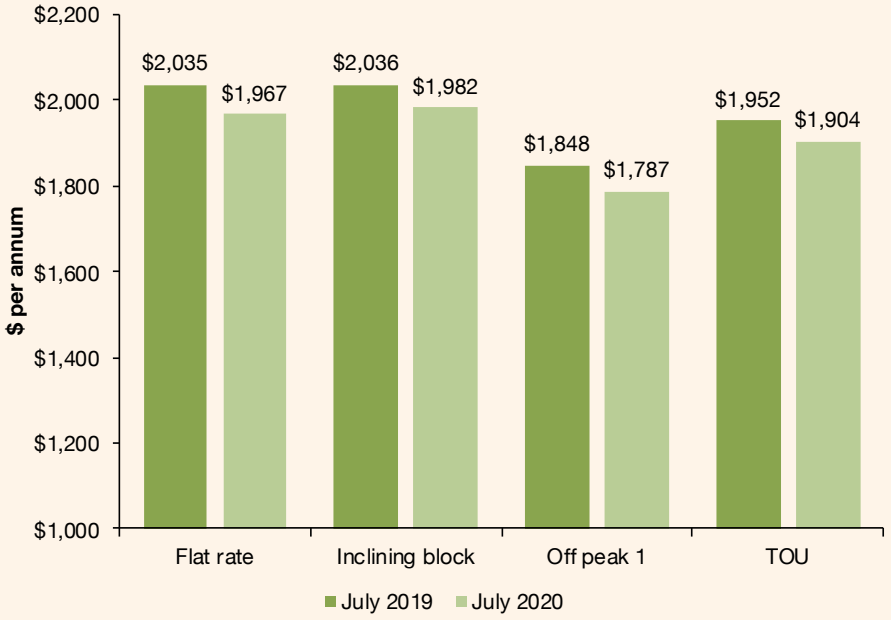


CHART 3 | Changes to the annual cost for **dual fuel customers** and **gas only** from 2019 to 2020, dual fuel based on 6,500kWh (flat rate) and 48,000Mj per annum, GST inclusive.[7]

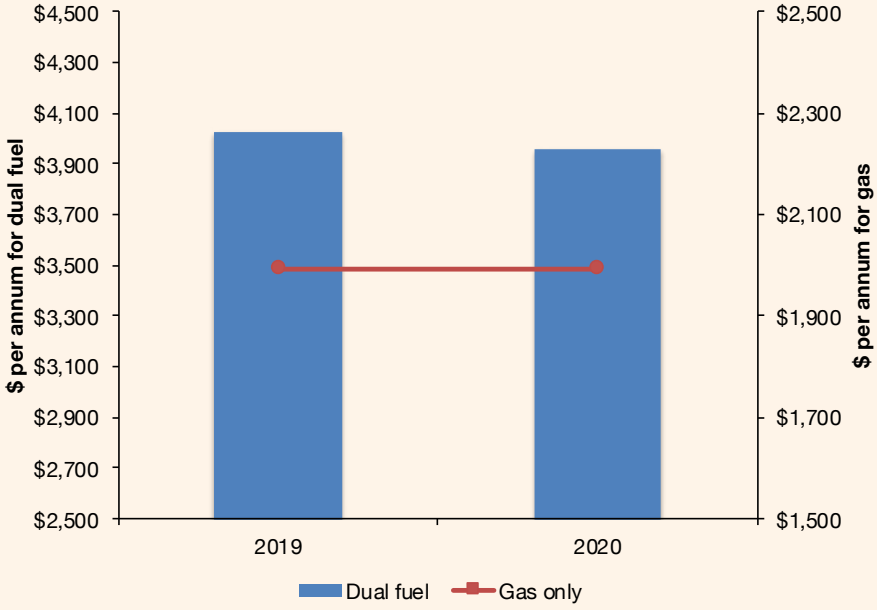


Table 1 below highlights the price trends for electricity and gas offers in the ACT from 2019 to 2020.

TABLE 1 | Electricity and gas price changes from July 2019 – July 2020, GST inclusive.

	All-electric (8000kWh)	Gas (48,000Mj)	Dual fuel (6,500kWh + 48,000Mj)
$ Change	-$65	$0	- $70
% Change	-3%	0%	- 2%

6 Thereof 30% off-peak and 70% flat rate for households with controlled load (off-peak 1) and 20% peak, 50% shoulder and 30% off-peak for households on a Time of Use (TOU) tariff.
7 Based on ActewAGL's gas rates only.

2. Regulated vs. market offers post July 2020

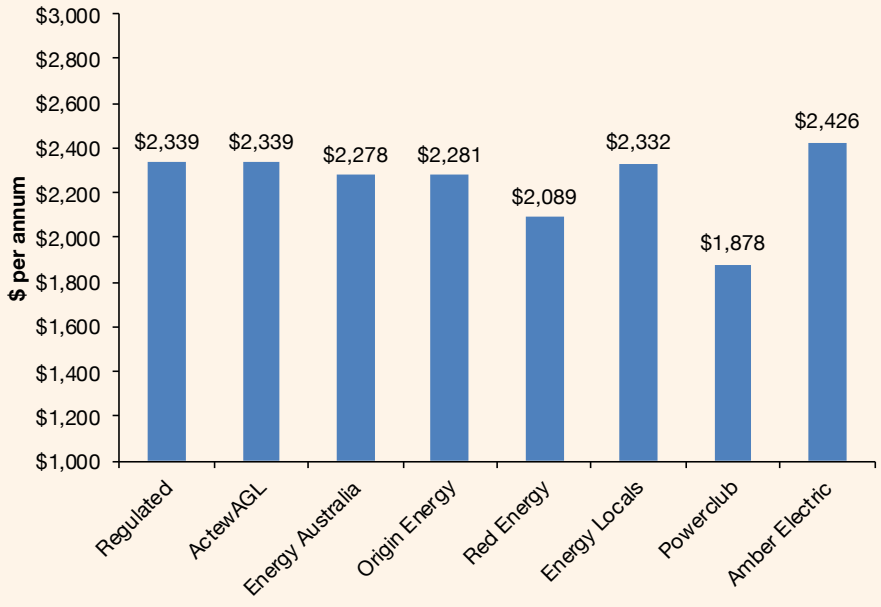
Since the introduction of full retail competition in the ACT energy retail market in 2003, households have been able to choose between regulated and market offers.[8] There has been a recent increase in retailers offering electricity contracts to households in the ACT. Currently seven retailers, the host retailer ActewAGL, EnergyAustralia, Origin Energy, Red Energy, Energy Locals, Powerclub and Amber Electric are offering market contracts to residential electricity customers. Still, ActewAGL has approximately 82% of the market share in the ACT residential electricity customer market.[9] For gas it continues to be only three retailers in the ACT (ActewAGL, EnergyAustralia and Origin Energy).

The price-spread (or the maximum difference between offers) has mostly increased over the last five years. Six years ago, ACT households were unable to reduce their electricity bill by switching and the maximum potential saving for gas was $50 per annum. In July 2016 the potential saving was $175 for electricity and $135 for gas. In 2017 the potential savings were $210 and $180 respectively and in 2018 the maximum potential annual saving was $240 for electricity and $260 for gas. Currently, the maximum potential annual saving is approximately $550 for electricity (by switching from Amber Electric's market offer to Powerclub's market offer) and $295 for gas (by switching from ActewAGL to Origin Energy's offer).[10]

2.1 Electricity: Regulated vs. market offers post July 2020

Chart 4 below shows that households using 8,000kWh per annum (flat rate) will have an annual electricity bill of between $1,878 and $2,426, and that EnergyAustralia, Origin Energy, Red Energy, Energy Locals and Powerclub provide lower rates than ActewAGL (when calculated as annual bills and noting that this chart is based on rates prior to additional discounts).

CHART 4 | Electricity offers as annual bills, post July 2020, flat rate, not including discounts, 8,000kWh per annum, GST inclusive.



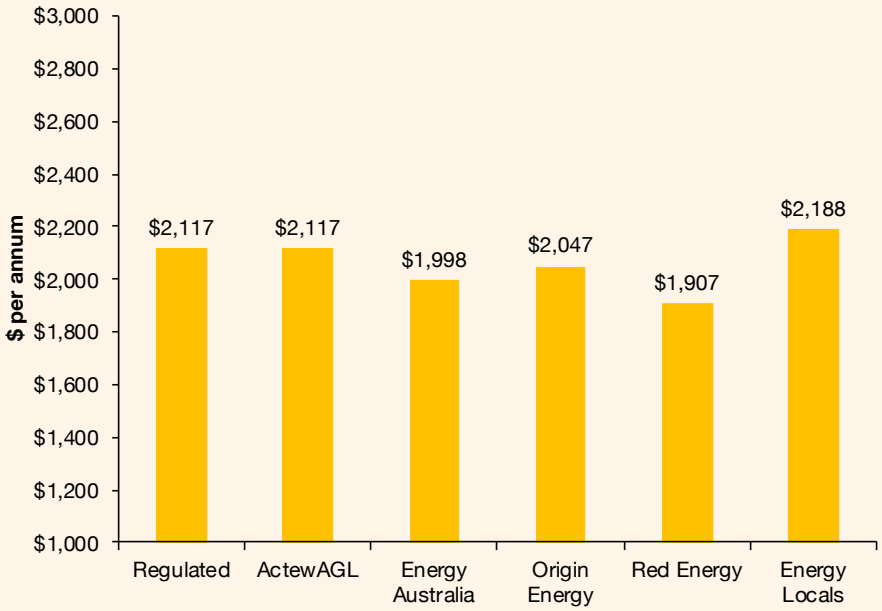
8 Also referred to as franchise customers (those on the regulated rate and non-franchise customers (those on a negotiated market contract). Note that gas retail prices are not regulated.

9 AER, data for the Retail energy market performance update for Quarter 4, 2018-19, Indicators s2.1.ai, s2.2.ai and s2.6.

10 Based on an annual consumption of 8,000 kWh/annum for electricity (single rate) and 48,000 Mj for gas. Market offers inclusive of guaranteed and pay on time discounts.

Chart 5 below shows a similar trend for households with controlled off-peak load.[11]

CHART 5 | Electricity offers as annual bills, post July 2020, controlled load, not including discounts, 8,000kWh per annum, GST inclusive.



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

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

Chart 6 below shows annual bills after including additional guaranteed discounts and conditional pay on time discounts. It shows that average consumption (8,000kWh) households currently on ActewAGL's regulated rate can save $396 per annum by switching to ActewAGL's market offer. Consumers switching from the regulated rate to Powerclub would save approximately $460 per annum while customers switching to EnergyAustralia or Origin Energy can expect to save around $265 per annum. Customers who decide to switch from the regulated rate to Red Energy would save around $250 per annum, whereas customers who switch to EnergyLocals would save less than $10 per annum. Finally, customers who decide to switch from the regulated offer to Amber Electric can expect to pay approximately $90 more per annum. On average, a market offer bill (inclusive of discounts) is $2,120 for households based on the assumed consumption level, which is an increase of $45, or 2%, since last year (July 2019).

11 Powerclub and Amber Electric do not offer controlled load tariffs.

CHART 6 | Annual bills including discounts. Electricity offers post July 2020 as annual bills, flat rate, 8,000kWh, GST inclusive.[12]

The discounts (including pay on time discounts) used to estimate the annual bills for chart 6 above are shown in table 2 below. Table 2 also shows other contract terms and features, such as early termination fees, associated with these market offers. The retailers have multiple market offers and the offers with the best rates/discounts that do not require direct debit arrangements have been included here.

Historically, all retailers have applied discounts to supply and/or usage charges excluding GST. More recently, however, Origin clearly states that their discounts are applied to amounts including GST. Red Energy's statement is somewhat ambiguous, but we have interpreted it to mean that they also apply discounts to GST inclusive amounts. All other retailers apply discounts to amounts exclusive of GST. There are also a couple of retailers (e.g. Energy Locals and Powerclub) 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 2 | Published electricity market offers taking effect after 1 July 2020: Key additional features and contract conditions.

Retail product	Guaranteed discounts	Pay on time discounts	Contract term/ benefit period	LPF*	ETF*	Offer took effect
ActewAGL Max Reward	20% off usage	No	12 months	$15	No	1/7/20
EnergyAustralia Total Plan Home	9% off bill	No	12 months	$12	No	1/7/20
Origin Energy Freedom	9% off bill	No	No	$0	No	16/7/20
Red Energy Living Energy Saver	No	No	No	$0	No	16/7/20
Energy Locals Local Saver	No	No	No	$16	No	16/4/20
Powerclub Powerbank Home	No	No	No	$0	No	15/7/20
Amber Electric Market offer	No	No	No	$16	No	17/4/20

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

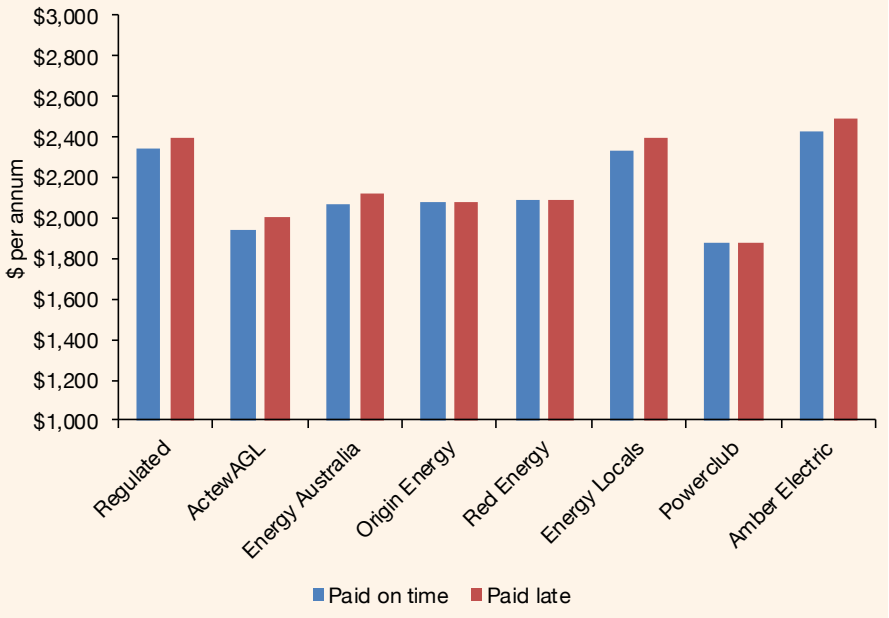
Figure 1 below shows estimated annual bills for market offers post discounts as well as how they ranked compared to other retailers.

FIGURE 1 | Lowest to highest annual bills (incl GST) for market offers post July 2020, including discounts and pay on time discounts - Households consuming 8,000kWh per annum (single rate)

Powerclub	$1,878
ActewAGL	$1,943
EnergyAustralia	$2,073
Origin Energy	$2,075
Red Energy	$2,089
Energy Locals	$2,332
Amber Electric	$2,426

In previous years, pay on time discounts have been a common feature of energy market offers across Australia. Pay on time discounts combined with late payment fees also meant that ACT households could be severely penalised for late payment. Since July 2019, however, the size of the pay on time discounts, as well as the number of offers featuring these conditional discounts, have reduced and there are currently no pay on time discounts associated with the retailers' best market offers in the ACT. The maximum difference between bills that are paid on time and bills that are paid late, is currently $64 per annum. This reflects a late payment fee of $16 applied to each bill paid passed the due date.

CHART 7 | Estimated annual bill for customers that pay on time versus pay late, electricity offers as of July 2020, flat rate, 8,000kWh, GST inclusive.[13]

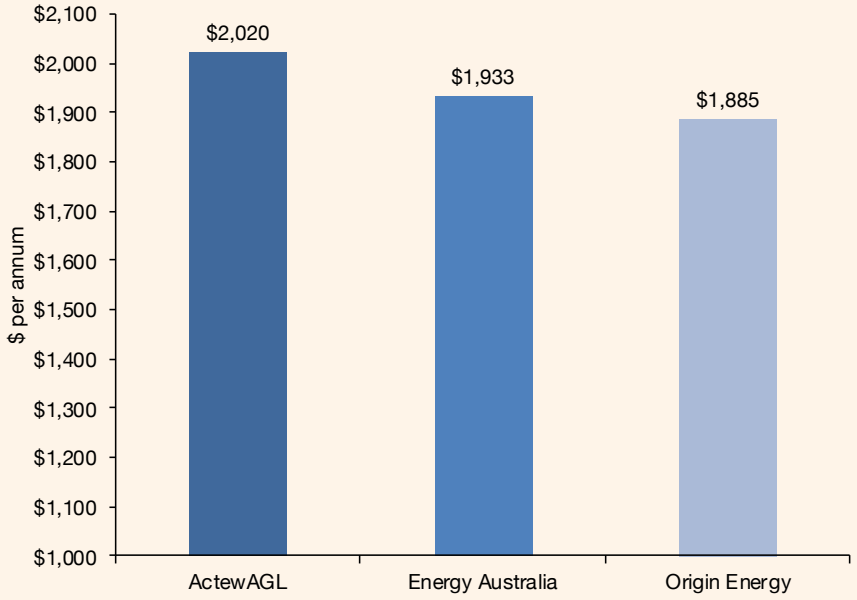


13 Annual bill calculation includes discounts, pay on time discounts and late payment fees as per energy offer.

2.2 Gas market offers post July 2020

There are no regulated gas offers in the ACT and only EnergyAustralia, Origin Energy and ActewAGL currently have gas market offers for residential consumers. Furthermore, ActewAGL's standalone gas offer does not contain any additional features, such as guaranteed discounts or pay on time discounts, while EnergyAustralia and Origin Energy's offers do. Chart 8 below shows that while Origin Energy has the lowest rates (excluding additional discounts) and ActewAGL's rates are higher.

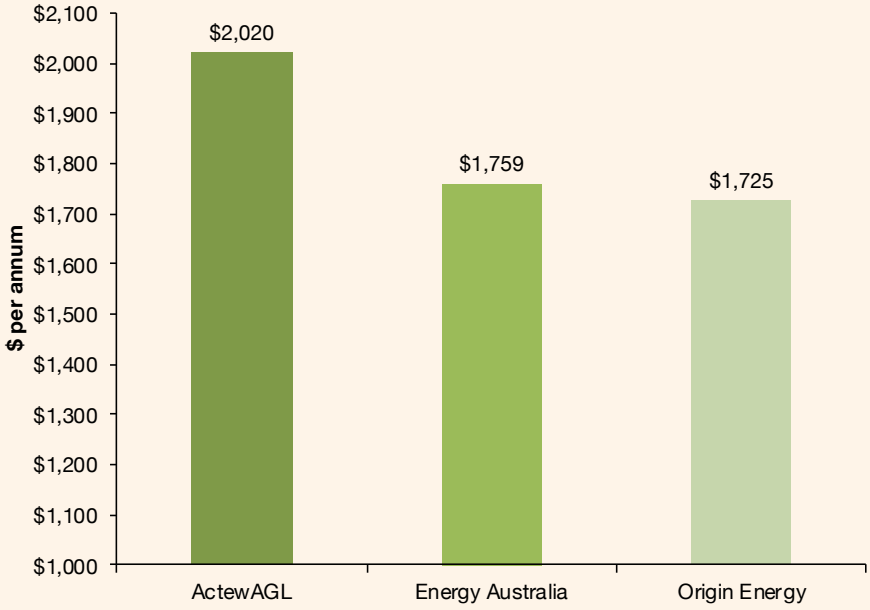
CHART 8 | Gas offers as annual bills, post July 2020, markert offer, not including discounts, 48,000Mj per annum, GST inclusive.



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

Chart 9 below shows annual bills after including additional discounts and pay on time discounts. It shows that households with average consumption (48,000Mj) can save $295 per annum by switching from ActewAGL to Origin Energy's market offer.

CHART 9 | Gas offers as annual bills, post July 2020, markert offer, including discounts, 48,000Mj per annum, GST inclusive.[14]



The discounts used to estimate the annual bills for chart 9 above are shown in table 3 below. Table 3 also shows other contract terms and features, such as early termination fees, associated with these market offers.

TABLE 3 | Published gas market offers post July 2020: Key additional features and contract conditions.

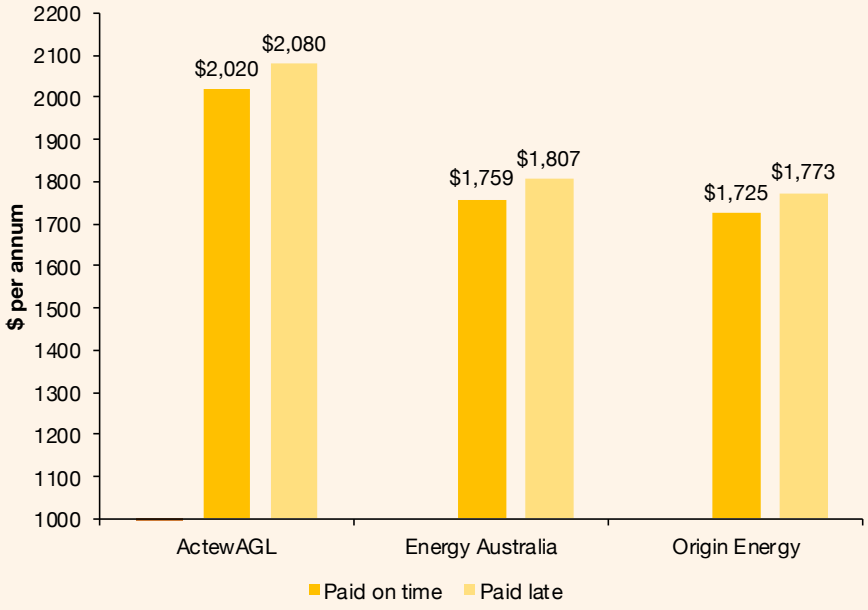
Retail product	Guaranteed discounts	Pay on time discounts	Contract term/ benefit period	LPF*	ETF*	Offer took effect
ActewAGL* Home Plan	No	No*	No	$15	No	1/7/20
Energy Australia Total Plan	9% off bill	No	12 months	$12	No	8/4/20
Origin Energy Flexi	10% off usage	No	12 months	$12	No	15/7/20

**ActewAGL has two other gas products that include discounts, however, as these products are offered as dual fuel products only, we have used the Home Plan for this analysis.*

As ActewAGL's offer does not include any additional discounts, and EnergyAustralia and Origin Energy's market offers have guaranteed discounts, the difference between paying gas bills on time versus late, reflects the late payment fees charged by the retailers only. Chart 10 below shows the estimated annual gas bill for customers that always pay on time versus customers that always pay late.

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

CHART 10 | Estimated annual bill for customers that pay on time versus pay late, gas offers post July 2020, 48,000Mj per annum, GST inclusive.[15]



The difference between the best and the worst market offer is significant. Energy Australia's offer is $295 less than ActewAGL's market offer post discounts for households with this consumption level. Figure 2 below shows estimated annual bills for market offers post discounts as well as how they ranked compared to other retailers.

FIGURE 2 | Lowest to highest annual bills (incl GST) for gas market offers post July 2020, including discounts and pay on time discounts - Households consuming 48,000Mj per annum

origin	Origin Energy	$1,725
EnergyAustralia	EnergyAustralia	$1,759
ActewAGL	ActewAGL	$2,020

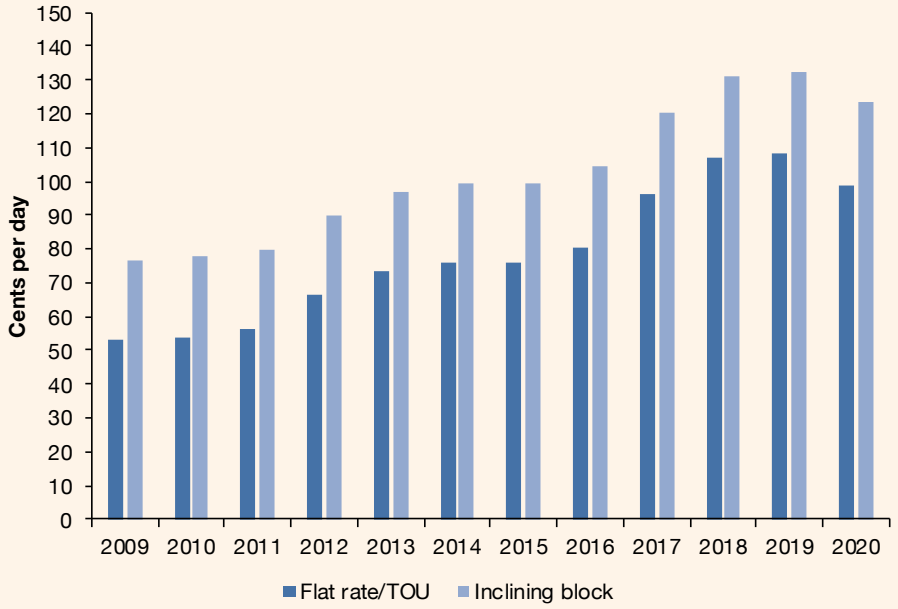
15 Calculations include discounts off usage or bill as well as pay on time discounts off usage or bill.

3. Supply Charges

3.1 Electricity supply charges

The supply charge is a fixed daily charge that is paid in addition to the consumption charges for electricity used. In the ACT the supply charge for electricity customers on the flat rate (and the less common TOU rate) has increased by 86% since July 2009, while the overall higher supply charge for the inclining block tariff has increased by around 60%. In the July 2020 price-set the regulated supply charge for flat rate and TOU customers decreased by 10% compared to last year, and the inclining block tariff decreased the fixed component by 12%. Customers on the flat rate or a TOU tariff will pay $360 per annum in fixed supply charges while customers on the inclining block tariff will pay close to $450. Chart 11 below shows the changes to the daily supply charges for regulated electricity rates from July 2009 to July 2020.

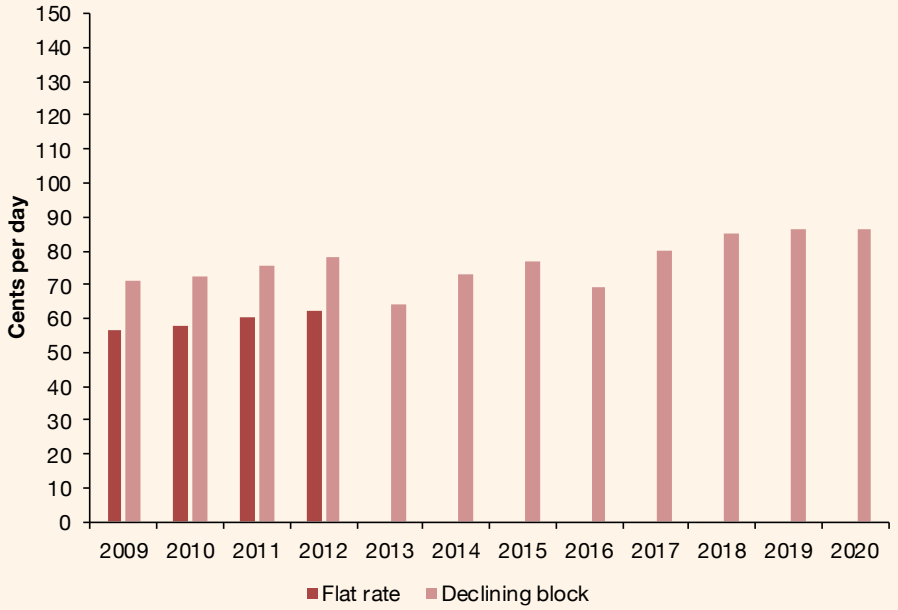
CHART 11 | Daily supply charges for electricity (flat/TOU rate), from 2009 to 2020, GST inclusive.



3.2 Gas supply charges

ActewAGL's gas supply charge remained unchanged between July 2019 and July 2020. ACT households currently pay just over $315 per annum in order to be connected to natural gas. Chart 12 below shows gas supply charges from July 2009 to July 2020.

CHART 12 |
ActewAGL's gas supply charges from 2009 to 2020, cents per day (incl GST)[16]



16 ActewAGL merged their tariff products to a single gas offer in 2013. Note: The declining block tariff was actually an inclining block in 2009 and 2010.

4. Network charges

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

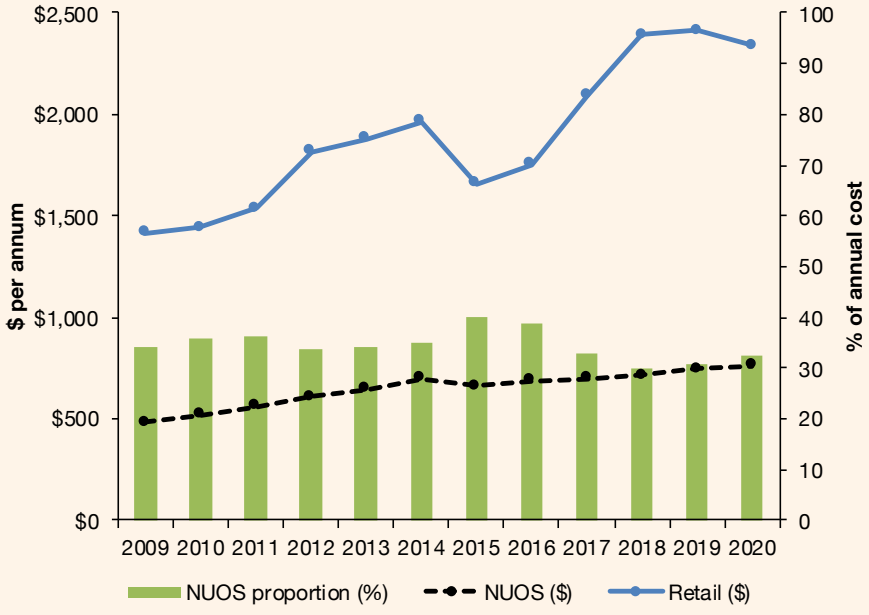
4.1 Electricity network charges

The ACT electricity network, Evoenergy, introduces new Network Use of System (NUOS) charges as of 1 July every year. These NUOS charges are approved by the Australian Energy Regulator (AER) and comprise Transmission Use of System (TUOS) and Distribution Use of System (DUOS) as well as other costs such as jurisdictional charges, and in some cases, metering charges. The retailers can, and generally will, build changes to the NUOS (in relation to both shape and price) into their market retail tariffs. As the ACT also has a regulated retail offer, the Independent Competition and Regulatory Commission (ICRC) also changes the regulated retail rate to reflect changes to the NUOS.

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

It shows that the NUOS charge has increased while the retail bill has decreased in July 2020 (the NUOS itself increased by approximately 2%) and that the NUOS as a proportion of the bill has gone from 31% to 33%. Since July 2015, the NUOS has included a metering non-capital charge (as part of the fixed supply charge) and if we exclude the metering non-capital charge from the NUOS, the NUOS accounts for 32% of the total cost in 2020 (instead of the 33% indicated in the chart below).[17]

CHART 13 | ActewAGL: Retail bill per annum, NUOS charges and NUOS as proportion of total bill from 2009 to 2020 (based on the regulated retail tariff, single rate, 8,000kWh per annum, all GST inclusive).[18]



17 Evoenergy has two types of metering charges: the metering non-capital charge (currently 4.52 cents/day) and the metering capital charge (9.19 cents/day). See Evoenergy's Schedule of electricity charges for details about households that pay metering non-capital and/or metering capital charges. Note that the cost of jurisdictional schemes (such as 'green' schemes) are not included in these NUOS charges.

18 Based on the regulated rates from 2009 to 2020, presented as annual bills for households using 8,000kWh per annum (flat rate). The annual NUOS charges have been calculated by allocating 2,000kWh per quarter (again based on annual consumption of 8,000kWh) to the step charges stipulated in the NUOS. The annual NUOS cost also includes fixed charges.

4.2 Gas distribution charges

As for electricity, the ACT gas distributor, EvoEnergy, introduces new Distribution Use of System (DUOS) charges as of 1 July every. A new addition to the Tariff-Tracking project this year is to analyse changes to gas DUOS charges. In the EvoEnergy network, the current DUOS charge for households using 48,000 MJ is $467 per annum. The DUOS proportion of gas retail bills is currently 23%.[19]

19 Based on ActewAGL's gas offer as of July 2020. Presented as annual bills for households using 48,000 MJ per annum.

5. Solar offers

There are approximately 26,300 small and medium scale solar systems in the ACT.[20] Customers looking for solar electricity retail offers should assess both the retailers' Feed in tariff (FIT) rates as well as the cost of electricity imported.

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

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

- An annual household consumption of 8,000kWh (including both produced and imported).
- Calculations have been produced for households with 1.5 kW and 3 kW systems only.
- An annual generation capacity per kW installed of 1.801MWh and an export rate of 55.1% for 3 kW systems and 27.3% for 1.5 kW systems.[21]
- Only FIT rates available to new customers have been included. Retailer funded FIT rates have been applied as per offer (see table 4 below).
- A flat annual consumption has been assumed.
- For tariffs with controlled load, 30% of the total load has been allocated to the off-peak rate.
- For TOU tariffs, 20% of the load has been allocated to the peak rate, 30% to the off-peak rate and 50% to the shoulder rate
- 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.

ActewAGL, EnergyAustralia, Origin Energy, Red Energy, Energy Locals and Powerclub offer FIT rates of 8, 10.5, 11, 9.4, 16 and 7 cents per kWh for their respective offers. Based on the assumptions listed above, a household with a 3kW solar system installed will receive approximately $240 per annum in FIT credits from ActewAGL, $315 from EnergyAustralia, $330 from Origin Energy, $280 from Red Energy, $475 from Energy Locals and $210 from Powerclub.

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20 Clean Energy Council, Clean Energy Australia Report 2020, 68

21 These figures are based on NSW (outside Sydney) and were used for the 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). As the data is based on NSW it might assume slightly higher generation capacity than the ACT average. The Clean Energy Council has reported that average daily production for 3 kW systems in Canberra is 12.9 kWh and (6.45 kWh for 1.5 kW systems). See http://www.solarchoice.net.au/blog/how-much-energy-will-my-solar-cells-produce/. Note that the estimated annual solar energy generation has a loss factor of 20% applied (includes temperature losses, soiling losses and wiring losses), the insolation is based on annual averages from the BOM over the years 1990 to 2008 (available at http://www.bom.gov.au/jsp/ncc/climate_averages/solar-exposure/index.jsp), and it is assumed that solar panels are mounted with a tilt equal to the latitude angle of the location (for non capital city areas these are Port Augusta, Longreach, Swan Hill and halfway between Dubbo and Bourke). The estimated export rates are based upon generation and export in NSW published in report prepared for NSW Industry and Investment by AECOM Australia, Solar bonus scheme, Forecast NSW PV Capacity and Tariff Payments, October 2010 available at http://23.101.218.132/prod/la/latabdoc.nsf/0/f43c91f5b4eddb97ca2577c90020a9fa/$FILE/Solar%20Bonus%20Scheme%20-%20Forecast%20PV%20Capacity%20&%20Tariff%20Payments.pdf

TABLE 4 | Retailers' FIT rates as of July 2020

Retailer	Offer	FIT rate (c/kWh)
ActewAGL	Max Reward	8
EnergyAustralia	Total Plan Home	10.5
Origin Energy	Solar Boost	11
Red Energy	Living Energy Saver	9.4
Energy Locals	Local Saver	16
Powerclub	Powerbank Home Solar	7

The average annual bill is approximately $1,245 for households with 3kW systems and $1,600 for households with 1.5kW systems installed. This means that the average annual bill is around $870 less for solar households with 3kW systems installed compared to non-solar households (see section 2.1 above).[22] Compared to last year, the average market offer for solar customers (3kW systems) has decreased by $75 or 6%.[23] This is in stark contrast to the previous year (from July 2018 to July 2019) when the average annual solar bill increased by $210.[24]

Based on the assumptions outlined above, solar customers on a flat electricity rate with a 3kW system installed would pay approximately $150 less per annum on EnergyAustralia's offer compared to Origin Energy's offer (see chart 14).

CHART 14 | Annual bills including discounts and FIT credits for customers with a 3kW solar system. Electricity offers post July 2020 as annual bills, Flat rate, 8,000kWh, GST inclusive.[25]

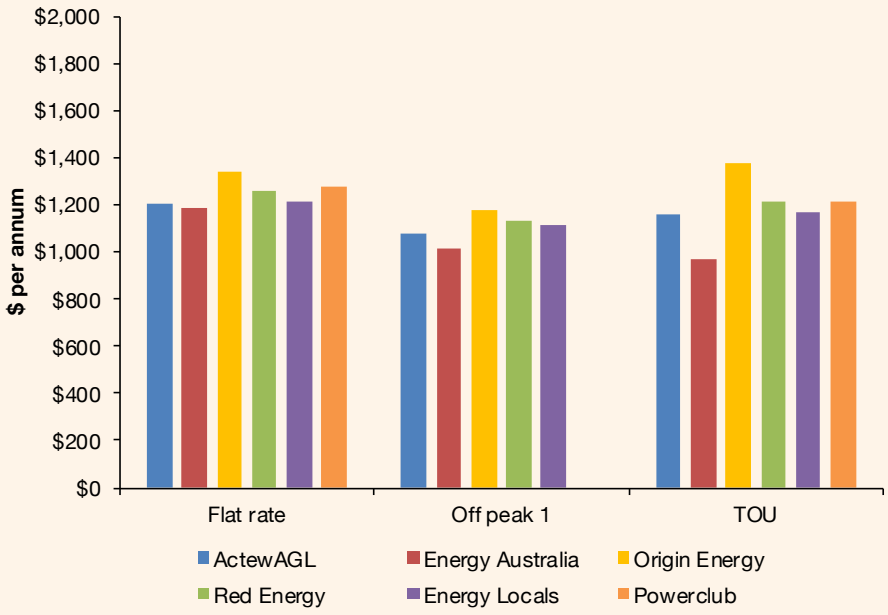


Figure 3 below shows estimated annual bills for market offers post discounts as well as how they ranked compared to other retailers.

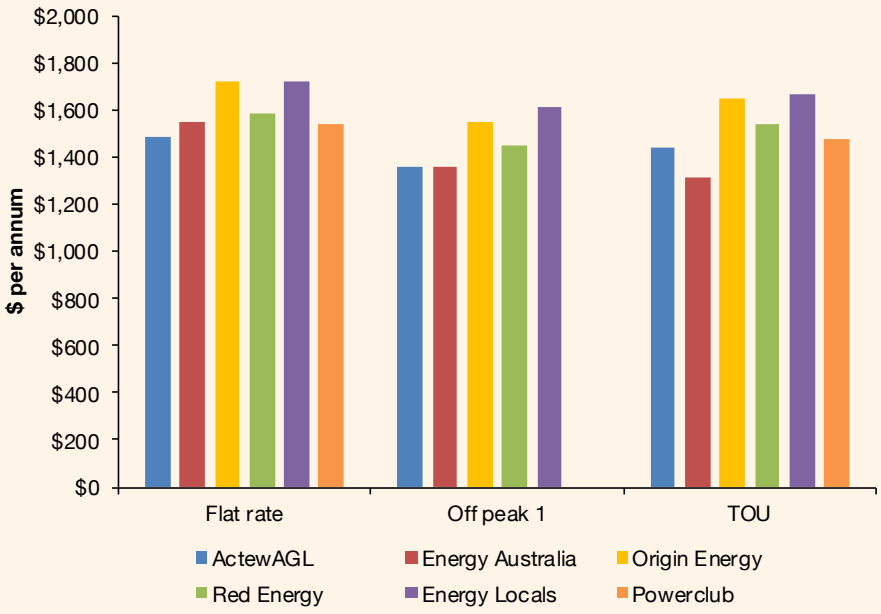
22 This comparison is based on the average market offer for non-solar customers (inclusive of discounts) and the average market offer for solar customers (inclusive of discounts) using 8,000kWh per annum (flat rate).
23 For non-solar households, the increase is $45 or 2%. See section 2.1.
24 It should be noted that the average bill for July 2019 reflected that there were two retailers (EnergyAustralia and Red Energy) that did not offer a retailer FIT. If we excluded EnergyAustralia and Red Energy from the analysis, for example, the average annual solar bill would have increased by $75 in July 2019 (compared to the $210 increase based on all six retailers).
25 Calculations include discounts off usage or bill as well as pay on time discounts off usage or bill.

FIGURE 3 | Lowest to highest annual bills (incl GST) for solar offers post July 2020, including discounts and pay on time discounts - Households consuming 8,000 kWh (flat rate) per annum, GST inclusive

EnergyAustralia	$1,190
ActewAGL	$1,200
EnergyLocals	$1,214
Red Energy	$1,255
Powerclub	$1,273
Origin Energy	$1,338

Households with the same consumption level and a 1.5kW system installed can expect to receive approximately $60 in FIT credits per annum from ActewAGL, $75 from EnergyAustralia, $80 from Origin Energy, $70 from Red Energy, $120 from Energy Locals and $50 from Powerclub. Energy Locals' annual bill is the most expensive and ActewAGL is the least expensive (based on the assumptions outlined above). The difference between these two offers is approximately $230 per annum (see chart 15).

CHART 15 | Annual bills including discounts and FIT credits for customers with a 1.5 kW solar system. Electricity offers post July 2020 as annual bills, flat rate, 8,000kWh, GST inclusive.[26]



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

6. COVID-19 related assistance

Under the ACT Government's COVID-19 assistance package all ACT concession card holder automatically received a $200 rebate on their electricity bills.[27] The rebate was applied to customers' bills in June or July 2020.

Households experiencing financial hardship should 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.[28] The AER also expects retailers to:

- 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.

27 See https://www.covid19.act.gov.au/business-and-work/economic-survival-package/families-and-households#Household-utilities-and-concessions

28 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