
ESTIMATE OF THE IMPACT OF THE CARBON TAX AND RET - 2014-15

Advice provided to the Minister for Energy and Water Supply

Note: the advice was corrected on 6 June 2014

The estimated cost impact of the carbon tax and RET for a household accessing tariff 11 and tariff 33, the most popular off-peak domestic tariff, is \$239.89. For households accessing tariff 11 and tariff 31, a less popular off-peak domestic tariff, the total impact is estimated to be \$241.85. We have estimated a typical household's annual consumption to be 6,100 kWh (6.1 MWh).

If the carbon tax is repealed during 2014-15, we cannot estimate the total impact of the carbon tax and RET on a typical household's bill, as this would depend on when the carbon tax is repealed and the notified prices customers will pay. We are able to estimate that if the carbon tax is repealed before 1 July 2014 and customers pay the carbon-exclusive notified prices we estimated for 2014-15, the impact on a typical household's bill will be \$65.03 if it accesses tariff 11 and either of the off-peak tariffs.

Table 1 Carbon price and RET scheme cost impacts for 2014-15

	<i>Median electricity use</i>	<i>Carbon</i>	<i>RET</i>	<i>Impact if carbon tax remains</i>	<i>Impact if carbon tax is repealed</i>
	<i>kWh/year</i>	<i>\$/year</i>	<i>\$/year</i>	<i>\$/year</i>	<i>\$/year</i>
Tariff 11	4100	118.93	43.71	162.64	43.71
Tariff 31	2000	57.89	21.32	79.21	21.32
Tariff 33	2000	55.93	21.32	77.25	21.32

Totals may not add due to rounding. Amounts reflect the impact of carbon price and RET scheme on customer bills inclusive of losses, margin, headroom and GST.