Queensland Competition Authority

Monitoring report

Solar feed-in tariff report 2019–20

October 2020

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OVERVIEW

Solar feed-in tariffs

Solar feed-in tariffs are the prices that electricity retailers pay to solar customers who export surplus electricity to the electricity network. In south east Queensland (SEQ), retailers set the amount solar customers will receive for exports.

Retail feed-in tariffs

Across electricity offers for residential and small business customers, the number of retailers offering solar feed-in tariffs in SEQ has increased from 10 in 2016 to 30 in 2020.

As both retail competition and wholesale energy prices increased in 2016–17 and 2017–18, so too did average solar feed-in tariffs in SEQ. By the June quarter of 2018, the average of retailers' residential feedin tariffs was 10.5 cents per kilowatt hour (c/kWh). In the June quarter of 2019, the market average was 9.9 c/kWh, with most retailers maintaining their feed-in tariff prices despite decreases in wholesale energy costs in SEQ. However, as wholesale costs continued to decline in SEQ, by the June quarter of 2020, residential feed-in tariffs ranged from 3 to 18 c/kWh, with the market average decreasing to 8.5 c/kWh.

Retail electricity offers

Retail electricity offers include, among other things, daily supply charges, variable usage charges and solar feed-in tariffs. Most retailers in the SEQ retail electricity market offered feed-in tariffs in 2019–20. Retail electricity offers with feed-in tariffs varied materially between and, in some cases, within retailers. Different supply and usage charges, discounts, incentives and recurring fees resulted in a wide range of bills.

Retail electricity offers with the highest feed-in tariffs do not necessarily provide the lowest net overall bills for solar customers. Customers with low electricity consumption and low solar export ratio were generally better off with offers that had lower supply and usage charges, while customers with high consumption and a high export ratio were generally better off with offers that included higher feed-in tariffs and lower usage charges. Across a range of electricity import and solar export scenarios, Ovo Energy, AGL and EnergyAustralia had the cheapest solar offers for residential customers in 2019–20, while Blue NRG, EnergyAustralia and Origin Energy had the cheapest offers for small business solar customers.

Advice for customers

The Queensland Competition Authority encourages solar customers to compare retail offers by using the Energy Made Easy website. Energy Made Easy is independent of commercial third parties and includes all generally available offers in the SEQ market.

When solar customers are comparing offers, it is critical they consider not just the feed-in tariff, but the amount of electricity they use, the times of the day that they use the most electricity and all other aspects of offers. For offers which are only available for customers purchasing solar systems through the retailer (or a third party) the cost of purchasing the solar system, and any other terms and conditions related to the purchase, also need to be carefully considered.

More information on this report

For more information, phone the QCA on (07) 3222 0555 or make an enquiry on the QCA website.

1 INTRODUCTION

1.1 Solar feed-in tariffs

Solar photovoltaic (PV) systems generate electricity from the owner's home or business. If solar panels produce more electricity than the premises is using, the surplus electricity is exported, or 'fed in', to the electricity network. The figure below shows how a simple solar PV system works.



Source: Clean Energy Council, Guide to installing solar for households.

Solar feed-in tariffs are the prices that the retailers pay solar customers for these exports. Most electricity retailers in south east Queensland (SEQ) pay solar customers a set amount that solar customers export into the network. Retailers make these payments because other customers import the electricity that solar customers export, which reduces the amount of electricity that retailers must buy on the wholesale energy market. In SEQ, retailers set the amount solar customers will receive for exports.¹

Queensland has more solar systems (more than 600,000) than any other state, and one in three Queensland households has a solar PV system.²

1.2 Monitoring and reporting in SEQ

The Queensland Government deregulated retail electricity prices for residential and small business customers in SEQ, including solar feed-in tariffs, effective from 1 July 2016. The government has since directed us to monitor and report on solar feed-in tariffs in the Energex distribution network, which covers SEQ. The direction requires us to report on solar feed-in tariffs that were available in the preceding tariff year (monitored on a quarterly basis) and to publish the report by 31 October each year.³

¹ In regional Queensland, where there is limited competition, the QCA sets the feed-in tariff rate each year. More information is available in the regional Queensland feed-in tariff reports on our Solar feed-in tariffs web page.

² Queensland Government, Solar supply in Queensland is through the roof [media statement], 30 August 2020.

³ The direction notice is available on our Monitoring of SEQ solar FiTs 2019–20 web page.

1.3 Energy Made Easy

We encourage solar customers to compare retail offers by using the Energy Made Easy website. Energy Made Easy is owned and operated by the Australian Energy Regulator (AER), is independent of third parties and includes all generally available offers.

In April 2020, the AER launched improvements to Energy Made Easy that aimed to simplify the user experience and increase the site's capability to compare innovative offers. Key aspects of the enhanced website included:

- the ability for customers to search for energy plans using their energy meter data (collected from the Australian Energy Market Operator (AEMO)) or by uploading a bill
- full website translation into 33 different languages
- retailer solar feed-in credits being included in estimated electricity plan costs
- a revised, more helpful search experience, including suburb and postcode look-up
- enhancements to the website's design, accessibility and general operation.⁴

Although customer awareness of Energy Made Easy remains low⁵, the improvements the AER has made to Energy Made Easy will, in our view, improve customers' ability to search for and understand retail offers with solar feed-in tariffs in the SEQ market.

Customers can also consult the websites of the Queensland and Australian governments, which provide general advice on how to engage with the retail electricity market.⁶

1.4 Components of a solar customer's bill

Retail electricity offers for solar customers typically have four elements:

- fixed supply charge(s), usually charged on a cents per day (c/day) basis—supply charges generally cover infrastructure and metering costs associated with the electricity network, and retail costs
- variable usage charge(s), generally charged on a c/kWh basis—usage charges cover the cost of imported electricity, variable retail and variable network costs
- discounts, fees and other charges—which often have various terms and conditions attached to them
- feed-in tariff amount(s), paid to solar owners for electricity that they export to the network.

1.5 Advice for customers

Retail offers with the highest feed-in tariffs do not necessarily provide the lowest net overall bills for customers. When solar customers are comparing offers, it is critical they consider not just the feed-in tariff, but the amount of electricity they use, the times of the day that they use the most electricity and all other aspects of offers. For offers which are only available for customers purchasing solar systems through the retailer (or a third party) the cost of purchasing the solar

⁴ AER, Energy just got easier [news release], 6 May 2020; AER, Energy Made Easy redevelopment project web page.

⁵ AER, State of the energy market 2020, July 2020, page 254.

⁶ Queensland Government, Compare and choose electricity retailers web page; Australian Government, Find the best energy deal web page.

system, and any other terms and conditions related to the purchase, also need to be carefully considered.⁷

1.6 Solar feed-in tariffs and usage charges differ

Some solar customers consider that the value of solar feed-in tariffs should equal the variable usage charge on a retail electricity offer. However, the actual value of electricity generated by PV units is considerably less than the usage charge, because when retailers buy energy from solar customers, they only avoid *some* of their normal business costs (avoided costs of purchasing wholesale energy from generators and energy losses). However, they still incur most of their normal business costs (retail operating costs and network charges).

Electricity retailers would incur a loss if they offered a feed-in tariff equal to variable usage charges, inclusive of avoided costs and their normal business costs. A 'one-for-one' feed-in tariff would then mean the retailer having to subsidise solar customers; the cost of a subsidy would then need to be recovered through higher electricity prices for all customers.⁸

1.7 Solar Bonus Scheme

Solar customers who applied for the Queensland Solar Bonus Scheme (SBS) before 10 July 2012 may also receive a subsidy in addition to a retailer feed-in tariff. As the SBS is a government-funded feed-in tariff paid through distributors, all eligible customers receive 44 cents per kilowatt hour (c/kWh) regardless of their chosen retailer. Although the SBS does not expire until 1 July 2028, the impact of the SBS is not part of the analysis in this report.⁹

1.8 Data sources

Retailer feed-in tariff and market offer data

For our analysis of solar feed-in tariffs and bills on solar offers, we obtained information on retailers' standing and market offers in 2019–20 from Energy Made Easy.

Consumption and solar export data

The direction requires the QCA to calculate net bill positions for solar customers for a range of consumption and solar export levels. These consumption and solar export levels are based on metering information provided to us by Energex. We consider this the most appropriate data to use, as it is derived from the same data used to generate solar customer bills in SEQ.¹⁰

⁷ For more guidance on buying a solar PV system, and for links to further materials from other government agencies and consumer advocacy groups, see the Department of Industry, Science, Energy and Resources, Solar PV and batteries web page.

⁸ For more detail on this issue see Queensland Productivity Commission (QPC), Solar feed-in pricing in Queensland, final report, June 2016, pages 36–38 (particularly figure 17). Chapter 7 of the QPC report also discusses equity issues that can arise if solar feed-in tariffs exceed market rates. Readers can also refer to IPART, Solar feed-in tariff benchmark 2020–21, April 2020, page 6 ('Why is the benchmark lower than what I pay for electricity?').

⁹ For more detail on the SBS see QPC, *Electricity Pricing Inquiry*, final report, May 2016, pages 153–165, and Queensland Government, Solar Bonus Scheme 44c feed-in tariff web page. The web page also includes a link to the Department of Natural Resources, Mines and Energy's policy guide (October 2018) to the SBS.

¹⁰ Tables 10 to 13 in section 3.4 show the consumption levels and export ratios used in our bill analysis.

2 RETAIL FEED-IN TARIFFS

In this chapter we report on feed-in tariffs available in 2019–20, and compare them with feed-in tariffs available each year from 2015–16.

Key findings

- As both retail competition and wholesale energy costs increased in 2016–17 and 2017–18, so too did average solar feed-in tariffs in SEQ. In 2018–19 most retailers maintained their feed-in tariffs despite decreases in wholesale energy costs.
- (2) In 2019–20, wholesale energy costs decreased further with the growth in renewable (solar and wind) generation in Queensland, reducing electricity prices. This coincided with most retailers reducing their feed-in tariffs compared to 2018–19 levels.
- (3) From the June quarter of 2019 to the June quarter of 2020, the average solar feed-in tariff decreased by 14% from 9.9 to 8.5 c/kWh on residential offers, and by 7% from 9.5 to 8.8 c/kWh on small business offers.
- (4) The decrease in feed-in tariffs in SEQ was broadly consistent with trends in feed-in tariffs in other parts of the National Electricity Market, with movements in wholesale energy costs being the key driver for changes in feed-in tariffs.

2.1 Terms of reference

Items 1, 4 and 5 of the terms of reference in the direction require the report to include:

- a comparison of the lowest, highest and average feed-in tariffs between retailers
- any trends in relation to retailers' feed-in tariffs in and between the reporting period (2019– 20) and preceding tariff years
- any comment on the emergence of new and/or innovative feed-in tariff structures.

2.2 Lowest, highest and average feed-in tariffs by quarter 2019–20

Across electricity offers for residential and small business customers, the number of retailers offering solar feed-in tariffs in SEQ has increased from 10 in 2015–16 to 30 in 2019. The analysis in sections 2.2.1 and 2.2.2 below relates to offers with a single feed-in tariff, and not to offers with two feed-in tariffs based on different solar export levels (explained in section 2.2.3).

2.2.1 Residential offers

In 2019–20, 28 retailers had residential offers available on Energy Made Easy, with each of these retailers including feed-in tariffs on at least one of their offers.¹¹ Amber Electric, CovaU, Discover Energy, Elysian Energy, GloBird Energy, Kogan Energy and Ovo Energy entered the SEQ market

¹¹ Two retailers, Blue NRG and Next Business Energy, offered a solar feed-in tariff only to small business customers during 2019–20 (see Table 2). The 28 retailers with solar feed-in tariffs on residential offers, plus Blue NRG and Next Business Energy, takes the SEQ total to 30.

during 2019–20 with offers for residential customers. All seven new retailers offered feed-in tariffs to residential customers.¹²

The table below shows the feed-in tariffs, or range of feed-in tariffs, that each retailer offered to residential solar customers in SEQ during each quarter of 2019–20, based only on offers with a single feed-in tariff.

Retailer	September quarter	December quarter	March quarter	June quarter
1st Energy	6	6	6	6
AGLª	8.6–15	8.6–17	8.6–17	8.6–17
Alinta Energy	11	11	11	11
Amaysim Energy	8–14	8–14	8–14	8–14
Amber Electric	—	8	8	8
Click Energy	8–12	8–12	8–12	8–12
CovaU	—	—	11	11
DC Power Co	15	15	15	—
Diamond Energy	12	12	12	12
Discover Energy	6–11.5	6–11.5	6–11.5	6–11.5
Dodo Power & Gas	8.5	8.5	8.5	8.5
Elysian Energy	7.86	7.86	7.86	7.86
Energy Locals	10	10	10	10
EnergyAustralia	16.1	16.1	11.5–16.1	11.5–18
Future X Power	7	7	7	7
GloBird Energy	—	—	—	3
Kogan Energy	6.19	6.19	5.89–6.19	5.89
LPE	10	10	10	10
Mojo Power	—	—	—	5.5
Origin Energy ^b	7–15	7–15	7–15	7
Ovo Energy	—	—	8	8
Powerclub ^c	8.5	8.5	8.5	8.5
Powerdirect	8.6–10.6	8.6	8.6	8.6
Powershop	9.5	9.5	9.5	9.5
QEnergy	8	8	8	8
ReAmped Energy	8	8	8	5–8
Red Energy ^d	6	6	6	6
Simply Energy	10	10	10	10
Highest	16.1	17	17	18
Average ¹³	9.3	9.2	9.2	8.5
Lowest	6	6	5.89	3

Table 1 Residential single feed-in tariffs by quarter, 2019–20 (c/kWh)

Notes: A dash (—) means the retailer did not attach a feed-in tariff to its offer(s) in the SEQ market, or did not have any offers in the market. We excluded the following offers from our analysis on the basis that their special terms and conditions distinguished them from generally available offers:

a AGL's Electric Vehicle Plan (solar feed-in tariff 8.6 c/kWh) required customers to be the owner of an electric vehicle.

¹² Amber Electric (owned by Energy Locals) and Kogan Energy (partnered with Powershop) are not authorised retailers in their own right. However, these retail brands are identified as retailers on Energy Made Easy and, as Energy Made Easy is our source of data for this report, we treat them as retailers for the purpose of this report.

¹³ To calculate the market average FiT, we first calculated the simple average of FiTs on each retailer's portfolio of offers (excluding offers with no FiT attached), and then calculated the simple average of all of the retailers' averaged FiT. This approach removes any weighting effect that retailers with a relatively large share of offers with FiTs in the market would have on the market average.

- b Origin Energy's Solar Boost Plus offers which had a requirement that customers purchase a solar system through Origin Energy.
- c Powerclub's solar offers which required customers to have a battery system (or one being installed in the immediate future) capable of supporting almost all daily electricity usage between 3 pm and 8.30 pm.
- d Red Energy's Red EV Saver offer required customers to own an electric vehicle. Like several other Red Energy market offers, the feed-in tariff on the Red EV Saver offer was a two-part feed-in tariff, with 16.1 c/kWh payable for the first 5 kWh exported per day, and 10 c/kWh payable for any remaining exports per day. The 6 c/kWh feed-in tariff shown in the table applied only to Red Energy's standing offer.

Sources: Energy Made Easy; QCA analysis.

The graph below shows retailers' feed-in tariff ranges for residential offers in the June quarter of 2020, and the average feed-in tariff of 8.5 c/kWh in the market in that quarter.

Figure 1 Residential single feed-in tariffs, June quarter 2020 (c/kWh)



Note: Retailers are sorted by their highest feed-in tariff (in descending order). Sources: Energy Made Easy; QCA analysis.

QCA assessment

The feed-in tariffs offered to residential customers ranged from 3 to 18 c/kWh over 2019–20. EnergyAustralia's Ultra Solar Plan offered the highest feed-in tariff of 18 c/kWh.¹⁴ All retailers either reduced or maintained their feed-in tariffs, compared to last year.

The average feed-in tariff offered to residential solar customers declined over the year, starting at 9.3 c/kWh in the September quarter and ending at 8.5 c/kWh in the June quarter.

2.2.2 Small business offers

In 2019–20, 24 retailers had small business offers available on Energy Made Easy, of whom 23 offers included feed-in tariffs on at least one of their offers.

Blue NRG, CovaU, Discover Energy and Elysian Energy entered the SEQ market with offers for small business customers during the year and offered feed-in tariffs.¹⁵

The table below shows the feed-in tariffs, or range of feed-in tariffs, that each retailer offered to small business solar customers in SEQ during each quarter of 2019–20, based only on offers with a single feed-in tariff.

¹⁴ The Ultra Solar Plan was only available online via www.experienceon.com.au.

¹⁵ Locality Planning Energy and ReAmped Energy, though not new entrants to the SEQ market, made offers to small business customers for the first time in the December guarter.

Retailer	September quarter	December quarter	March quarter	June quarter
1st Energy	6	6	6	6
AGL	8.6–10.6	8.6	8.6	8.6
Alinta Energy	11	11	11	11
Amaysim Energy	8–10	8–10	8–10	8–10
Blue NRG	8	8	8	8
Click Energy	8	8	8	8
CovaU	—	—	11	11
Diamond Energy	12	12	12	12
Discover Energy	6–11.5	6–11.5	6–11.5	6–11.5
Elysian Energy	7.86	7.86	7.86	7.86
Energy Locals	10	10	10	10
EnergyAustralia	16.1	16.1	12.65–16.1	12.65
Future X Power	7	7	7	7
LPE	—	_	10	10
Next Business Energy	10	10	10	10
Origin Energy ^a	7	7	7	7
Powerclub ^b	8.5	8.5	8.5	8.5
Powerdirect	8.6–10.6	8.6	8.6	8.6
Powershop	9.5	9.5	9.5	9.5
QEnergy	8	8	8	8
ReAmped Energy	—	8	8	5–8
Red Energy	6	6	6	6
Simply Energy	10	10	10	10
Highest	16.1	16.1	16.1	12.65
Average ¹⁶	9	8.9	9	8.8
Lowest	6	6	6	5

Table 2	Small business singl	e feed-in tariffs by	quarter, 2019–20 (c/kWh)
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Notes: A dash (—) means the retailer did not attach a feed-in tariff to its offer(s) in the SEQ market, or did not have any offers in the market. We excluded the following offers from our analysis on the basis that their special terms and conditions distinguished them from generally available offers:

a Origin Energy's Solar Boost Plus offers had a requirement for customers to purchase a solar system through Origin Energy.

b Powerclub's solar offers which required customers to have a battery system (or one being installed in the immediate future) capable of supporting almost all daily electricity usage between 3 pm and 8.30 pm. Sources: Energy Made Easy; QCA analysis.

The graph below shows retailers' feed-in tariff ranges for small business offers over the June quarter compared to the average feed-in tariff of 8.8 c/kWh in the market for that quarter.

¹⁶ To calculate the market average FiT, we first calculated the simple average of FiTs on each retailer's portfolio of offers (excluding offers with no FiT attached), and then calculated the simple average of all of the retailers' averaged FiT. This approach removes any weighting effect that retailers with a relatively large share of offers with FiTs in the market would have on the market average.



Figure 2 Small business single feed-in tariffs, June quarter 2020 (c/kWh)

Note: Retailers are sorted by highest feed-in tariff (in descending order). Sources: Energy Made Easy; QCA analysis.

QCA assessment

The feed-in tariffs offered to small business customers ranged from 5 to 16.1 c/kWh over 2019–20. EnergyAustralia offered the highest feed-in tariff with 16.1 c/kWh on many of its solar offers. All retailers either reduced or maintained their feed-in tariffs, compared to last year.

The average feed-in tariff offered to small business solar customers was fairly stable over the year and ranged from 8.8 to 9 c/kWh.

2.2.3 Offers with two feed-in tariffs

Since the second half of 2017–18, some retailers have had offers which included two feed-in tariffs, where the first feed-in tariff applies to a particular export threshold (daily or annual kWh) and the second feed-in tariff applied to exports above that export threshold. In 2019–20, three retailers had offers with two feed-in tariffs, as summarised below.

Residential

- Energy Locals Solar Promise 2020 (Anytime) and Local Saver (Anytime) offers had a feed-in tariff of 16 c/kWh applied to the first 15 kWh per day and 10 kWh per day respectively. Any additional exports received a feed-in tariff of 10 c/kWh.
- Origin Energy multiple Solar Boost offers with the first feed-in tariffs ranging from 11 to 15 c/kWh applied to the first 8 to 10 kWh per day. Any additional exports received feed-in tariff of 7 c/kWh.
- Red Energy multiple offers with the first feed-in tariffs ranging from 16.1 to 17 c/kWh applied to the first 5 kWh per day. Any additional exports received feed-in tariffs ranging from 10 to 11.5 c/kWh.

Small business

• Origin Energy – Solar Boost and Solar Optimiser offers with the first feed-in tariffs ranging from 20 to 21 c/kWh applied to the first 14 kWh per day. Any additional exports received a feed-in tariff of 7 c/kWh.

 Red Energy – multiple offers with the first feed-in tariffs ranging from 16.1 to 17 c/kWh applied to the first 5 kWh per day. Any additional exports received feed-in tariffs ranging from 10 to 11.5 c/kWh.

For clarity, sections 2.2.1 and 2.2.2 above include offers with one feed-in tariff only.

2.3 Trends between 2015–16 and 2019–20

2.3.1 Residential offers

The table below shows retailers' solar feed-in tariffs for residential customers in the June quarters from 2015–16 to 2019-20.¹⁷

Retailer	2015–16	2016–17	2017–18	2018–19	2019–20
1st Energy	_	_	—	6	6
AGL	6	6	10.6–20	10.6–20	8.6–17
Alinta Energy	_	—	11	11	11
Amaysim Energy	_	—	14	14	8–14
Amber Electric	_	—	—	—	8
Click Energy	6–11	6–11	8–16	8–16	8–12
CovaU	_	—	—	—	11
DC Power	_	—	—	15	—
Diamond Energy	8	8	12	12	12
Discover Energy	—	_	—	—	6–11.5
Dodo Power & Gas	4	4–6.5	8.5	8.5	8.5
Elysian Energy	_	_	—	—	7.86
Energy Locals	_	10	10–12.1	9–16	10
EnergyAustralia	6	6	11–16.1	16.1	11.5–18
Future X Power	—	—	—	7	7
GloBird Energy	_	_	—	—	3
Kogan Energy	—	—	—	—	5.89
Locality Planning Energy	—	_	—	10	10
Lumo Energy	6	6	6	6	_
Mojo Power	_	7.3	9	9	5.5
Origin Energy	6	6–10	7	7–17	7
Ovo Energy	_	—	—	—	8
Powerclub	—	—	—	9.5	8.5
Powerdirect	6	6–8	10.6	10.6	8.6
Powershop	—	8.2	12.2	9.5	9.5
QEnergy	_	—	8	8	8
ReAmped Energy	—	—	—	8	5–8
Red Energy		6	6–11.5	6	6
Simply Energy		6.2	11.3	10	10
Urth Energy ^a	5–10	_		—	_
Highest	11	11	20	20	18
Average 18	6.5	6.7	10.5	9.9	8.5

Table 3 Residential single feed-in tariffs, June quarter of 2016 to 2020 (c/kWh)

¹⁷ Appendix B shows the FiTs available for all four quarters of each year from 2015–16 to 2018–19.

¹⁸ Historic FiT averages for 2017–18 and 2018–19, 11 and 10.7 have been updated to 10.5 and 9.9 respectively to exclude Mojo Power and Red Energy's two-part feed-in tariffs.

Retailer	2015–16	2016–17	2017–18	2018–19	2019–20
Lowest	4	4	6	6	3
Number of retailers with a feed-in tariff	9	13	16	22	27 ¹⁹

a Urth Energy's retail authorisation was revoked by the AER in February 2017 following the company's entry into administration.

Notes: A dash (—) means the retailer did not attach a feed-in tariff to its offer(s) in the SEQ market, or did not have any offers in the market.

Sources: Energy Made Easy; QCA analysis.

The graph below shows residential feed-in tariffs from the September quarter 2015 to the June quarter 2020.





Sources: Energy Made Easy; QCA analysis.

Offers with two feed-in tariffs

As mentioned in section 2.2.3, since the second half of 2017–18, some retailers have had offers which included two feed-in tariffs.

Table 4	Residential two-part	feed-in tariffs,	June quarter o	of 2017–18 to 2019	–20 (c/kWh)
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Retailer	2017–18	2018–19	2019–20
Energy Locals	—	—	10–16
Mojo Power	9–20	9–20	—
Origin Energy	—	_	7–15
Red Energy	—	11.5–17	10–16.1

Sources: Energy Made Easy; QCA analysis.

QCA assessment

The average feed-in tariff decreased from 9.9 c/kWh in the June quarter 2019 to 8.5 c/kWh in the June quarter 2020, with most retailers either reducing or maintaining their feed-in tariffs. The

¹⁹ DC Power had offers with a feed-in tariff on Energy Made Easy only for the first three quarters of 2019–20 (see Table 1), leading to 27 retailers with a feed-in tariff for the June quarter 2020. The 28 retailers with solar feed-in tariffs on residential offers for 2019–20, includes DC Power.

range of the feed-in tariffs were narrower for the first three quarters of 2020 compared to 2019, with fewer feed-in tariffs that were well above the market average offered.

The number of retailers offering residential customers solar feed-in tariffs increased substantially over the five years, from 9 in 2015–16, to 16 in 2017–18 and 27 in 2019–20 for the respective June quarter.

As both retail competition and wholesale energy prices increased in 2016–17 and 2017–18, so too did average solar feed-in tariffs in SEQ. Wholesale electricity prices in Queensland decreased during 2018 and 2019, and continued to ease in 2020 when first quarter prices in Queensland fell to their lowest average since 2012.²⁰ The majority of retailers either maintained or slightly increased feed-in tariffs in 2018–19, but in 2019–20 most reduced their feed-in tariffs. Most of the retailers who entered the SEQ market in 2019–20 offered feed-in tariffs that were below the market average in 2018–19, placing further downward pressure on the average feed-in tariff in 2019–20.

2.3.2 Small business offers

The table below shows retailers' solar feed-in tariffs for small business customers in the June quarters from 2015–16 to 2019–20.²¹

Retailer	2015–16	2016–17	2017–18	2018–19	2019–20
1st Energy	—	—	—	6	6
AGL	6	6	10.6	10.6–20	8.6
Alinta Energy	—	—	11	11	11
Amaysim Energy	—	—	-	10	8–10
Blue NRG	—	—	-	_	8
Click Energy	—	—	-	10	8
CovaU	—	—	-	_	11
Diamond Energy	8	8	12	12	12
Discover Energy	—	—	-	—	6–11.5
Elysian Energy	—	—	-	—	7.86
Energy Locals	—	10	10–12.1	9–10	10
Energy Australia	6	6	11–16.1	16.1	12.65
ERM Power	8	8	8	-	_
Future X Power	_	-	-	7	7
Locality Planning Energy	_	-	-	-	10
Lumo Energy	6–7	6	6–11.5	6	_
Next Business Energy	_	-	-	10	10
Origin Energy	6	6	7	7–18	7
Powerclub	_	-	-	9.5	8.5
Powerdirect	6	6–8	10.6	10.6	8.6
Powershop	_	8.2	12.2	9.5	9.5
QEnergy	—	-	8	8	8
ReAmped Energy	_	-	-	_	5–8
Red Energy	_	6	6–11.5	6	6
Simply Energy	_	6.2	11.3	10	10
Urth Energy ^a	5–10	—	-	_	—

Table 5 Small business single feed-in tariffs, June quarter of 2015–196 to 2019–20 (c/kWh)

²⁰ AER, State of the Energy Market 2020, July 2020, pages 96–98.

²¹ Appendix B shows feed-in tariffs relating to all four quarters of 2015–16 to 2018–19.

Retailer	2015–16	2016–17	2017–18	2018–19	2019–20
Highest	10	10	16.1	20	12.65
Average ²²	6.5	6.7	10.2	9.5	8.8
Lowest	6	6	6	6	5
Number of retailers with a feed-in tariff	8	11	13	18	23

a Urth Energy's retail authorisation was revoked by the AER in February 2017 following the company's entry into administration.

Notes: A dash (-) means the retailer did not attach a feed-in tariff to its offer(s) in the SEQ market, or did not have any offers in the market.

Sources: Energy Made Easy; QCA analysis.

The graph below shows small business feed-in tariffs from the September quarter 2015 to June quarter 2020.





Sources: Energy Made Easy; QCA analysis.

Offers with two feed-in tariffs

For small business offers, since the December quarter 2019 some retailers have had offers which included two feed-in tariffs.

Table 6 Small business two-part feed-in tariffs, June quarter of 2018–19 to 2019–20 (c/kWh)

Retailer	2018–19	2019–20
Origin Energy	—	7–20
Red Energy	11.5–17	10–16.1

Sources: Energy Made Easy; QCA analysis.

QCA assessment

The average feed-in tariff decreased from 9.5 c/kWh in the June quarter 2019 to 8.8 c/kWh in the June quarter 2020, with most retailers either reducing or maintaining their feed-in tariffs. The range of the feed-in tariffs keeps narrowing over quarters of 2020 compared to 2019, with fewer feed-in tariffs that were well above the market average offered.

²² Historic FiT average 2018–19 of 10 has been updated to 9.5 to exclude Red Energy's two-part feed-in tariffs.

The number of retailers offering small business customers solar feed-in tariffs increased substantially over the five years, from 8 in 2015–16, to 13 in 2017–18 and 23 in 2019–20 for the respective June quarters.

The majority of retailers either maintained or slightly increased feed-in tariffs in 2018–19, but in 2019–20 most reduced their feed-in tariffs. Of the retailers who entered the SEQ market for small business customers in 2019–20, some offered feed-in tariffs above the market average and some offered feed-in tariffs below the average.

2.3.3 Trends in other NEM regions

While wholesale energy costs are determined separately in each region of the National Electricity Market, energy does flow between regions. We would expect feed-in tariff levels to differ between regions, but price trends to be largely aligned. Accordingly, considering price trends in other regions also informs our assessment of the SEQ market.

New South Wales

In New South Wales, the Independent Pricing and Regulatory Tribunal (IPART) sets an annual benchmark solar feed-in tariff range to help guide customers and retailers.²³ The 2019–20 benchmark of 8.5 to 10.4 c/kWh was higher than the 2018–19 benchmark of 6.9 to 8.4 c/kWh because the forecast wholesale energy price for 2019–20 was higher than it was for the previous year.²⁴ When, in April 2019, it set the benchmark for 2019–20, IPART reported that many retailers were offering feed-in tariffs above the benchmark in place at the time.²⁵ More recently, IPART commented that, over the most recent years, retailers have been competing to offer higher solar feed-in tariffs to attract solar customers, and that 39% of offers in 2019–20 exceeded the benchmark.²⁶

Victoria

In Victoria, the Essential Services Commission (ESC) sets the minimum feed-in tariff(s) that retailers can credit to customers. For 2019–20, the minimum (single-rate) feed-in tariff was 12.0 c/kWh, which was 2.1 c/kWh higher than the 9.9 c/kWh for 2018–19.²⁷ On its website, the ESC explains that annual changes in the minimum feed-in tariff are affected primarily by the changes in the forecast wholesale electricity price – the biggest component of the minimum feed-in tariff rate.²⁸

In February 2020, when it set the minimum feed-in tariff for 2020–21 (10.2 c/kWh) the ESC commented that, as at September 2019, feed-in tariffs in Victoria ranged from 12.0 to 20 c/kWh, but that some retailers offered higher feed-in tariffs if customers bought the solar package through them or if existing solar customers switched their accounts to them.²⁹

²³ IPART, *Solar feed-in tariff benchmark 2019–20*, April 2019, page 2.

²⁴ IPART, *Solar feed-in tariff benchmark 2019–20*, April 2019, page 3.

²⁵ IPART, Solar feed-in tariff benchmark 2019–20, April 2019, page 5.

²⁶ IPART, *Monitoring of the Electricity Retail market 2019–2020*, draft report, September 2020, page 29.

²⁷ ESC, *Minimum electricity feed-in tariffs to apply from 1 July 2019*, final decision, February 2019, page iii. The ESC changed its approach to setting the minimum feed-in tariff for 2019–20, moving from a market modelling to a futures market approach (ESC, *Minimum electricity feed-in tariffs to apply from 1 July 2019*, final decision, February 2019, page 20).

²⁸ ESC, Minimum feed-in tariff web page.

²⁹ ESC, *Minimum electricity feed-in tariff to apply from 1 July 2020*, final decision, February 2020, pages 8 and 17.

South Australia

In South Australia, the Essential Services Commission of South Australia (ESCOSA) monitors retailers' solar feed-in tariffs in a similar way as we monitor feed-in tariffs in SEQ. ESCOSA's latest monitoring report shows that the average of retailers' highest feed-in tariffs decreased slightly between 2018–19 (14.4 c/kWh) and 2019–20 (13.6 c/kWh).³⁰

Regional Queensland

The solar feed-in tariff in regional Queensland was 16.3% lower in 2019–20 (7.842 c/kWh) than in 2018–19 (9.369 c/kWh), primarily due to a reduction in wholesale energy costs as a result of increased renewable (solar and wind) generation in Queensland.³¹ The feed-in tariff for 2020–21 (7.861 c/kWh) is marginally higher compared to 2019–20, driven mainly by higher ancillary services fees and energy losses, which were mostly offset by a decline in wholesale energy costs.³²

2.3.4 Conclusion

On average, feed-in tariffs were slightly lower in 2019–20. This is consistent with the fall in wholesale energy costs. Changes in wholesale energy costs also continue to drive changes in feed-in tariffs in other regions of the NEM.

2.4 New and/or innovative feed-in tariff structures

A small number of new and/or innovative tariff structures and plans have emerged in SEQ since the retail electricity market was deregulated.

Previous reporting periods

The table below shows the new and/or innovative tariff structures that emerged in 2016–17 and 2017–18.

Retailer	Plan name(s)	Tariff structure / plan						
Origin Energy	Solar Boost Plus	In 2016–17, Origin Energy offered Solar Boost Plus to residential solar customers who installed a solar system through Origin Energy. These customers received a 12 c/kWh feed-in tariff, which was 2 c/kWh higher than the retailer's generally available Solar Boost offer for a 24- month benefit period.						
Mojo Power	Connect and EnergyPass	In 2017–18 and 18–19, Mojo Power attached a variable feed-in tariff of 20 c/kWh for the first 2,000 kWh exported on its Connect and EnergyPass offers.						
		The feed-in tariff was capped at 2,000 kWh per annum (or 5.47 kWh per day). Mojo Power explained on its website that, due to solar PV systems exporting differently day to day, it had taken the approach to pro rata the calculation for each billing period. After the first 2,000 kWh exported, Mojo Power's feed-in tariff in Queensland was 9 c/kWh.						

 Table 7
 New and/or innovative feed-in tariff structures, 2016–17 to 2018–19

³⁰ ESCOSA, *Energy Retail Price Offers Comparison Report 2019–20*, report to the Minister for Energy and Mining, August 2019, page 16 (table 2.3); QCA analysis (only retailers with feed-in tariffs on both 30 June 2019 and 30 June 2020 were included in calculations).

³¹ QCA, 2019–20 Solar feed-in tariff, determination, May 2019, page ii.

³² QCA, 2020–21 Solar feed-in tariff, determination, May 2020, page ii.

Retailer	Plan name(s)	Tariff structure / plan
Powerclub	Multiple market offers	Powerclub entered the SEQ market in March 2019, with a range of market offers that provided customers with access to wholesale electricity market prices for a minimum one-off, refundable (at its value at time of exit) contribution of \$40 per 1,000 kWh of annual consumption to the customer's 'Powerbank' ³³ . The retailer explained on Energy Made Easy that the Powerbank was used to smooth wholesale price volatility and that 'Powerwatch' would notify customers of high prices to help avoid them.

Notes: The 2016–17 report also commented on Urth Energy's innovative feed-in tariff structures; however, as Urth Energy's retail authorisation was revoked by the AER in February 2017 following the company's entry into administration we have not included its FiT structure in this table. Sources: QCA analysis

Origin Energy's Solar Boost and Powerclub's plans remained available in SEQ in 2019–20, while Mojo Power's two-part tariff offers ceased in 2019–20.

Current reporting period

No new and/or innovative feed-in tariff structures emerged in the SEQ retail electricity market in 2019–20.

³³ On its standing offers, Powerclub stated that it did not recommend its standing offer to its members and suggested that (a) customers on this plan transfer as soon as possible to a Powerclub plan offering wholesale access, and (b) if wholesale access did not suit a customer's needs, Powerclub recommended choosing the best market offer from another retailer on Energy Made Easy.

3 RETAIL ELECTRICITY OFFERS

In this chapter we show each retailer's range of bills on offers that included a feed-in tariff, but without solar feed-in tariff revenue applied. We then identify the three cheapest offers in the market across a range of electricity consumption and solar export levels.

Key findings

- (1) Most retailers offered feed-in tariffs in 2019–20. Retail electricity offers with feed-in tariffs varied materially between and even within retailers, with different supply and usage charges, discounts, incentives and recurring fees resulting in a wide range of bills.
- (2) Based on all available offers, and taking into account the value of solar feed–in tariffs, offers with solar feed-in tariffs included were always cheaper than offers without solar feed-in tariffs.
- (3) Customers with low electricity consumption and a low solar export ratio were generally better off with offers that had lower supply and usage charges, while customers with high consumption and a high export ratio were generally better off with offers that include higher feed-in tariffs and lower usage charges. For both residential and small business customers, the cheapest offer in 2019–20 varied across the nine electricity consumption and solar export scenarios analysed.

3.1 Terms of reference

Items 2 and 3 of the terms of reference require the report to:

- report on variations to retailers' generally available market offer prices that are offered in conjunction with a feed-in tariff, including variations to fixed and variable electricity charges
- compare and rank the net overall bill position from generally available market offers, considering electricity charges and feed-in tariffs. This analysis is to compare net bill outcomes for a range of different residential and small business electricity customers with solar PV systems, varying by total electricity consumption (e.g. a small, typical and large residential customer) and high, medium and low solar export/use ratio. The analysis should include retail market offers with and without feed-in tariffs and specify the retailer for each offer.

3.2 Most common tariffs and combinations of tariffs

We determined the most common tariffs and tariff combinations by analysing (unpublished) Energex data on the number of solar customer national metering identifiers on each Energex network tariff. The table below lists the most common network tariffs and combinations of tariffs, with the network tariff codes shown in brackets.³⁴

³⁴ See Energex, *Energex Network Tariff Guide 1 July 2019 to 30 June 2020*, July 2019 for detail on Energex's network tariffs in 2019–20.

Customer type	Network tariff(s)
Residential	Residential flat (T8400)
	Residential flat (T8400) and controlled load super economy (T9000)
	Residential flat (T8400) and controlled load economy (T9100)
Small business	Business flat (T8500)

Table 8 Most common tariffs and tariff combinations for solar customers, SEQ

3.3 Bills on solar offers, excluding the value of solar feed-in tariff credits

In 2019–20, most retailers in the SEQ market attached feed-in tariffs to some or all of their retail offers. Some of these retailers had significant differences in the supply charges, usage charges, discounts, incentives and recurring fees (that is, membership fees and fees to access wholesale prices) on their offers. Differences in these elements of offers also led to significant variances in bills across retailers.

To explain the variations in prices offered in conjunction with feed-in tariff, the analysis below provides bill value ranges for each retailer's solar offers. The bill calculations exclude the impact of solar exports so that the variations in the bill can be attributed to supply charges, usage charges, discounts and recurring fees.

The analysis in this section presents offer prices as an annual bill for a solar customer—with typical consumption—on the most common tariffs and tariff combinations. The median consumption level is used to represent a typical level of consumption, as it is in the middle of the consumption range.

While the terms of reference requires us to report on generally available market offer prices, we report on all offers in the market that offered solar customers a feed-in tariff, even where the offer was a standing offer. We consider this provides a more complete report on the options available to solar customers.³⁵ Table 9 below shows each retailer's highest and lowest solar offers—but excluding feed-in tariff revenue—for the June quarter of 2020 for residential and small business solar customers.³⁶ In addition, a spreadsheet containing all offers, including all supply and usage charges, is available on our website.³⁷

Table 9 shows typical bills for residential and small business customers ranged from:

- \$1,177 (Ovo Energy) and \$1,638 (AGL, Discover Energy and EnergyAustralia), for customers on a flat rate tariff only
- \$1,358 (Mojo Power) and \$1,833 (Amaysim Energy) for customers on a flat rate with super economy controlled load tariff combination
- \$1,355 (Mojo Power) and \$1,854 (Amaysim Energy) for customers on a flat rate with economy controlled load tariff combination.
- \$2,051 (Blue NRG) and \$3,334 (Energy Locals), for customers on a small business flat rate tariff only.

³⁵ Our solar FiT reports from 2016–17 to 2018–19 also included standing offers for this analysis.

³⁶ All offers are presented as published on the Energy Made Easy website. AGL's, Discover Energy's, Energy Australia's Origin Energy's and Powerdirect's offers include the solar metering charge, which they list as a fee on Energy Made Easy.

³⁷ The dataset accompanying this report is available on our Monitoring of SEQ solar FiTs 2019–20 web page.

Retailer	Res	sidential fla	t rate	Residential flat rate with super		Residential flat rate with economy			Small business flat rate			
				econ	omy control l	oad	control load					
	Lowest	Highest	Variance	Lowest	Highest	Variance	Lowest	Highest	Variance	Lowest	Highest	Variance
1st Energy	1,405	1,602	197	1,524	1,738	214	1,564	1,782	219	2,317	2,732	416
AGL	1,344	1,638	293	1,468	1,778	310	1,493	1,806	314	2,373	2,909	536
Alinta Energy	1,353	1,635	282	1,451	1,774	323	1,506	1,805	299	2,435	2,903	468
Amaysim Energy	1,608	1,633	25	1,791	1,833	42	1,780	1,854	74	2,838	2,909	71
Amber Electric	1,608	1,608	0	1,794	1,794	0	_	-	—	_	—	—
Blue NRG	-	-	—	—	—	—	_	-	—	2,051	3,008	957
Click Energy	1,245	1,608	363	1,397	1,791	395	1,387	1,780	393	2,499	2,909	410
CovaU	1,368	1,609	241	1,486	1,749	262	1,512	1,779	267	2,445	2,877	432
Diamond Energy	1,404	1,404	0	—	—	—	_	—	—	2,539	2,539	0
Discover Energy	1,451	1,638	187	1,602	1,814	212	1,593	1,803	210	2,520	2,877	357
Dodo Power & Gas	1,488	1,609	121	1,658	1,793	135	1,649	1,783	134	—	—	—
Elysian Energy	1,384	1,579	194	1,550	1,770	220	1,539	1,758	219	2,695	2,915	220
Energy Locals	1,464	1,603	139	1,658	1,791	133	1,647	1,788	141	2,649	3,334	685
EnergyAustralia	1,385	1,638	253	1,482	1,815	332	1,528	1,804	276	2,475	2,845	370
Future X Power	1,287	1,609	322	1,514	1,790	276	1,505	1,779	274	2,302	2,877	575
GloBird Energy	1,284	1,518	235	—	—	_	_	_	—	_	—	—
Kogan Energy	1,425	1,425	0	1,600	1,600	0	1,596	1,596	0	—	—	—
LPE	1,340	1,340	0	1,444	1,444	0	1,508	1,508	0	2,529	2,529	0
Mojo Power	1,202	1,608	406	1,358	1,779	420	1,355	1,774	419	_	—	—
NBE	—	-	—	—	—	—	_	—	—	2,878	2,878	0
Origin Energy	1,376	1,634	257	1,531	1,818	287	1,521	1,806	285	2,515	2,887	372
Ovo Energy	1,177	1,314	137	1,361	1,496	135	1,356	1,491	135	_	—	—
Powerclub	1,556	1,556	0	1,760	1,760	0	—	-	—	2,282	2,282	0
Powerdirect	1,428	1,428	0	1,550	1,550	0	1,575	1,575	0	2,448	2,448	0
Powershop	1,355	1,438	83	1,511	1,605	94	1,502	1,618	116	2,411	2,638	227
QEnergy	1,608	1,608	0	1,778	1,778	0	1,767	1,767	0	2,874	2,874	0
ReAmped Energy	1,233	1,599	366	1,385	1,783	398	1,416	1,773	357	2,308	2,904	596
Red Energy	1,444	1,608	164	1,602	1,781	179	1,592	1,770	178	2,487	2,893	406
Simply Energy	1,507	1,507	0	1,668	1,668	0	1,704	1,704	0	2,536	2,536	0

Table 9 Annual bill variations (excluding solar feed-in tariff credits), residential and small business offers, June quarter 2020 (\$ per year)

Notes: A dash (—) means the retailer did not have any offers on Energy Made Easy. Bill values coloured green are the cheapest for the tariff/tariff combination, and values coloured orange are the most expensive.

Sources: Energy Made Easy; QCA analysis.

For retailers with a range of offers, variations in bills are attributed to different supply and/or usage charges, and/or different discounts, incentives or recurring fees.

Figures 5 and 6 show retailers' bills on residential and small business flat rate solar offers, excluding solar feed-in tariffs, ranked from highest to lowest bill variation.³⁸





Note: Retailers are sorted by highest bill variation (in descending order). Sources: Energy Made Easy; QCA analysis.

The reasons for the three largest variations are mixed:

- Mojo Power's variation (\$406) was the result of supply and usage charges of 107.32 c/day and 22.51 c/kWh respectively on its highest solar offer (also a standing offer), compared to 79.75 c/day and 16.86 c/kWh respectively on its lowest solar offer.
- ReAmped Energy's variation (\$366) was the result of supply and usage charges of 98.68 c/day and 23 c/kWh respectively on its highest solar offer (also a standing offer), compared to 88.02 c/day and 16.81 c/kWh respectively on its lowest solar offer.
- Click Energy's variation (\$363) was the result of supply and usage charges of 107.4 c/day and 22.5 c/kWh respectively on its highest solar offer (also a standing offer), compared to 89.142 c/day and 18.675 c/kWh respectively on its lowest solar offer. Further, the lowest solar offer had a bill credits of \$90.

Amber Electric, Diamond Energy, Kogan Energy, Locality Planning Energy, Powerclub, Powerdirect, QEnergy and Simply Energy had no bill variation, as these retailers had only one type of solar offer in the SEQ market.

³⁸ Figure 5 only shows variations in the residential flat rate tariff. As per Table 9, the residential economy and super economy control load tariffs showed similar variations to the residential flat rate movements.

Figure 6 Variations in the small business flat rate solar bills, excluding solar feed-in tariff credits, June quarter 2020



Note: Retailers are sorted by highest bill variation (in descending order). Sources: Energy Made Easy; QCA analysis.

The three largest variations were because of differences in supply and usage charges:

- Blue NRG's variation (\$957) was the result of supply and usage charges being 350 c/day and 17 c/kWh respectively on its highest solar offer, compared to 201.7 c/day and 13.17 c/kWh respectively on its lowest solar offer.
- Energy Locals' variation (\$685) was the result of supply and usage charges being 328.64 c/day and 21.36 c/kWh respectively on its highest solar offer (also a standing offer), compared to 103.18 c/day and 20.91 c/kWh respectively on its lowest solar offer which also included an annual membership fee of \$240.
- ReAmped Energy's variation (\$596) was due to the supply and usage charges being 142.5 c/day and 24.74 c/kWh respectively on its highest solar offer (also a standing offer), compared to 105.41 c/day and 20 c/kWh respectively on its lowest solar offer.

Diamond Energy, Locality Planning Energy, Next Business Energy, Powerclub, Powerdirect, QEnergy and Simply Energy had no bill variations, as these retailers had only one type of solar offer.

QCA assessment

Retail electricity offers with feed-in tariffs varied materially between and even within retailers, with different supply and usage charges, discounts, incentives and recurring fees resulting in a wide range of bills. However the bill values (excluding solar feed-in tariff credits) in 2019–20 were less variable compared to last year. Most retailers' highest bills were on standing offers.

For residential solar offers the variance between the highest and lowest bill was \$956 in June quarter 2019, compared to a variance of \$460 in the June quarter 2020. For small business solar offers the variance between the highest and lowest bill was \$1,626 in June quarter 2019, compared to a variance of \$1,282 in the June quarter 2020. We believe the narrowing of bill variances are a result of the implementation of the cap on standing offer prices—the Default Market Offer (DMO)—in the SEQ retail electricity market. The DMO was introduced in SEQ and

other regions of the NEM on 1 July 2019, from which time retailers' standing offer prices had to be set at or below the DMO price set by the AER.³⁹

3.4 Comparison and ranking of the net overall electricity bills

Import and export ratios

We have ranked customers' net overall bill positions for generally available market offers by:

- total electricity consumption (imports) for a small, typical and large residential customer
- high, medium and low solar export/import ratios.

The analysis includes offers with and without feed-in tariffs.

Electricity import and solar export/import ratios are based on Energex metering data, which is the actual data used by retailers to generate electricity bills for customers.

We used the following percentile levels for electricity import and solar export/import ratios to develop a nine-scenario matrix (Tables 10 to 13 below) by tariff type:

- 75th percentile—three-quarters of solar customers will import less electricity than the 75th percentile customer
- median—half of solar customers will import less electricity than the median customer, or 50th percentile customer
- 25th percentile—one-quarter of solar customers will import less electricity than the 25th percentile customer.

Annual bill rankings

The following tables show the three cheapest offers in 2019–20 for each tariff type, for each of the nine combinations of imports to export/import ratio.

The cheapest offers vary according to a customer's electricity import level (on the left side of each matrix below) and the ratio of exports to imports (at the top row of each matrix below).

Other key conclusions that can be drawn from the tables:

- Bills that included solar feed-in tariff credits were always cheaper than bills without solar feed-in tariff credits.
- Customers with a small import level and low export ratio were generally better off with offers that include lower supply and usage charges.
- Customers with a high export level and high export ratio were generally better off with offers that included higher feed-in tariffs and lower usage charges.
- For both residential and small business customers, the cheapest offer varied across the nine electricity consumption and solar export scenarios analysed.

³⁹ Further analysis of the narrowing of standing offer bills, and the convergence of standing and market offer bills, in the SEQ retail market following the introduction of the DMO in July 2019 is available in our quarterly market monitoring report for July to September 2019. The impact of the DMO on competition and innovation in the SEQ market will also be discussed in our annual market monitoring report for 2019–20.

Residential flat rate offers

Table 10 Net annual bill ranking for residential flat rate offers, June quarter 2020

	Low export ratio				Medium export ratio				High export ratio			
	Retailer	Offer name	FiT (c)	Bill (\$)	Retailer	Offer name	FiT (c)	Bill (\$)	Retailer	Offer name	FiT (c)	Bill (\$)
	Im	port 3,029 kWh, export 84	11 kWh		Impo	ort 3,029 kWh, export 2,	004 kWh		In	port 3,029 kWh, export 4	,088 kWh	
Small	Ovo Energy	The One Plan	8	775	Ovo Energy	The One Plan	8	682	AGL	Res Solar Savers Online	17	425
Imports	Ovo Energy	The One Plan	8	797	Ovo Energy	The One Plan	8	704	EnergyAust	Ultra Solar Plan	18	449
	Click Energy	Click Hibiscus	8	823	Click Energy	Click Hibiscus	8	730	AGL	Res Solar Savers	17	500
	Import 4,753 kWh, export 1,319 kWh				Import 4,753 kWh, export 3,145 kWh				Import 4,753 kWh, export 6,415 kWh			
Typical	Ovo Energy	The One Plan	8	1,072	Ovo Energy	The One Plan	8	926	AGL	Res Solar Savers Online	17	472
imports	Ovo Energy	The One Plan	8	1,109	Ovo Energy	The One Plan	8	963	EnergyAust	Ultra Solar Plan	18	483
	Mojo Power	All Day Breakfast	5.5	1,129	Click Energy	Click Hibiscus	8	993	AGL	Res Solar Savers	17	547
	Imp	oort 7,308 kWh, export 2,0	29 kWh		Impo	ort 7,308 kWh, export 4,	835 kWh		In	port 7,308 kWh, export 9	,863 kWh	
larao	Ovo Energy	The One Plan	8	1,512	Ovo Energy	The One Plan	8	1,287	EnergyAust	Ultra Solar Plan	18	534
imports	Mojo Power	All Day Breakfast	5.5	1,564	Alinta Energy	HomeDeal	11	1,321	AGL	Res Solar Savers	17	542
imports										Online		
	Ovo Energy	The One Plan	8	1,570	LPE	LPE Mates Rate	10	1,341	AGL	Res Solar Savers	17	617

Note: The QCA analysis provides only one offer per retailer. However, there could be multiple offers by a retailer with the same bill value. Sources: Energy Made Easy; QCA analysis.

Customers with low import levels and low export ratios should find offers with lower supply and usage charges attractive. Ovo Energy's The One Plan had supply and usage charges of 88 c/day and 17.67 c/kWh respectively and a sign up credit of \$100. In some of the scenarios there are different The One Plan offers which reflect different supply charges, usage charges and benefits.

Customers with high import levels and high export ratios should find offers with higher feed-in tariffs and lower usage charges attractive. EnergyAustralia's Ultra Solar Plan offer had a feed-in tariff of 18 c/kWh, and supply and usage charges of 90 c/day and 23.9 c/kWh respectively.

Residential flat rate with controlled load super economy offers

Table 11 Net annual bill ranking for residential flat rate with control load super economy offers, June quarter 2020

		Low export rat	io		Medium export ratio				High export ratio			
	Retailer	Offer name	FiT (c)	Bill (\$)	Retailer	Offer name	FiT (c)	Bill (\$)	Retailer	Offer name	FiT (c)	Bill (\$)
	Im	port 3,662 kWh, expo	rt 751 kWh		Impo	ort 3,662 kWh, export	1,603 kWh		Imp	ort 3,662 kWh, export 3	,002 kWh	
Small	Ovo Energy	The One Plan	8	909	Ovo Energy	The One Plan	8	840	AGL	Res Solar Savers Online	17	710
imports	Ovo Energy	The One Plan	8	931	Ovo Energy	The One Plan	8	863	EnergyAust	Total Plan Home	11.5	722
	Click Energy	Click Hibiscus	8	931	Click Energy	Click Hibiscus	8	863	Ovo Energy	The One Plan	8	728
	Imp	oort 5,723 kWh, expor	Import 5,723 kWh, export 2,505 kWh			Import 5,723 kWh, export 4,692 kWh						
Typical	Ovo Energy	The One Plan	8	1,267	Ovo Energy	The One Plan	8	1,161	AGL	Res Solar Savers Online	17	905
imports	Mojo Power	All Day Breakfast	5.5	1,294	Alinta Energy	HomeDeal	11	1,176	Alinta Energy	HomeDeal	11	935
	Ovo Energy	The One Plan	8	1,302	LPE	LPE Mates Rates	10	1,194	EnergyAust	Total Plan Home	11.5	943
	Imp	oort 8,481 kWh, expor	t 1,740 kWh		Impo	Import 8,481 kWh, export 3,712 kWh				ort 8,481 kWh, export 6	,953 kWh	
Large	Ovo Energy	The One Plan	8	1,749	Alinta Energy	HomeDeal	11	1,539	AGL	Res Solar Savers Online	17	1,178
imports	LPE	LPE Mates Rate	10	1,755	LPE	LPE Mates Rate	10	1,558	Alinta Energy	HomeDeal	11	1,183
	Alinta Energy	HomeDeal	11	1,756	Ovo Energy	The One Plan	8	1,591	LPE	LPE Mates Rate	10	1,234

Note: The QCA analysis provides only one offer per retailer. However, there could be multiple offers by a retailer with the same bill value. Sources: Energy Made Easy; QCA analysis.

Customers with low import levels and low export ratios should find offers with lower supply and usage charges attractive. Ovo Energy's The One Plan had supply charges of 92.15 c/day, usage charges of 17.67 c/kWh and 16.5 c/kWh for its flat rate and controlled load respectively, and a sign up credit of \$100. In some of the scenarios there are different The One Plan offers which reflect different supply charges, usage charges and benefits.

Customers with high import levels and high export ratios should find offers with higher feed-in tariffs and lower usage charges attractive. AGL's cheapest Residential Solar Savers Online offer had a feed-in tariff of 17 c/kWh, supply charges of 97 c/day and 3 c/day for the flat rate and controlled load respectively, and usage charges of 23.33 c/kWh and 16.8 c/kWh for the flat rate and controlled load respectively, and an online sign-up credit of \$75.

Residential flat rate with controlled load economy offers

Table 12 Net annual bill ranking for customers with residential flat rate with control load economy offers, June quarter 2020

		Low export ratio			Medium export ratio				High export ratio			
	Retailer	Offer name	FiT (c)	Bill (\$)	Retailer	Offer name	FiT (c)	Bill (\$)	Retailer	Offer name	FiT (c)	Bill (\$)
	Impo	ort 3,382 kWh, export	655 kWh		Impo	ort 3,382 kWh, expo	rt 1,455 kWh		Impor	t 3,382 kWh, export	2,766 kWh	
Cmanill	Ovo Energy	The One Plan	8	868	Ovo Energy	The One Plan	8	804	Ovo Energy	The One Plan	8	699
imports	Click Energy	Click Hibiscus	8	889	Click Energy	Click Hibiscus	8	825	AGL	Res Solar Savers	17	716
iniports										Online		
	Ovo Energy	The One Plan	8	890	Ovo Energy	The One Plan	8	826	Click Energy	Click Hibiscus	8	721
	Impo	rt 5,665 kWh, export :		Import 5,665 kWh, export 2,436 kWh				Import 5,665 kWh, export 4,633 kWh				
	Ovo Energy	The One Plan	8	1,268	Ovo Energy	The One Plan	8	1,161	AGL	Res Solar Savers	17	944
Typical										Online		
imports	Mojo Power	All Day Breakfast	5.5	1,295	Click Energy	Click Hibiscus	8	1,192	EnergyAust	Ultra Solar Plan	18	970
	Click Energy	Click Hibiscus	8	1,299	Ovo Energy	The One Plan	8	1,196	Ovo Energy	The One Plan	8	985
	Impo	rt 8,708 kWh, export :	1,686 kWh		Impo	ort 8,708 kWh, expo	rt 3,745 kWh		Impor	t 8,708 kWh, export	7,122 kWh	
1.0000	Ovo Energy	The One Plan	8	1,804	Ovo Energy	The One Plan	8	1,639	AGL	Res Solar Savers	17	1,257
Large										Online		
imports	Mojo Power	All Day Breakfast	5.5	1,818	Alinta Energy	HomeDeal	11	1,667	EnergyAust	Ultra Solar Plan	18	1,272
	Click Energy	Click Hibiscus	8	1,852	Click Energy	Click Hibiscus	8	1,687	Alinta Energy	HomeDeal	11	1,296

Note: The QCA analysis provides only one offer per retailer. However, there could be multiple offers by a retailer with the same bill value. Sources: Energy Made Easy; QCA analysis.

Customers with low import levels and low export ratios should find offers with lower supply and usage charges attractive. Ovo Energy's The One Plan had supply charges of 92.15 c/day, usage charges of 17.67 c/kWh and 16.8 c/kWh for its flat rate and controlled load respectively, and a sign up credit of \$100. In some of the scenarios there are different The One Plan offers which reflect different supply, usage charges and benefits.

Customers with high import levels and high export ratios should find offers with higher feed-in tariffs and lower usage charges attractive. AGL's cheapest Residential Solar Savers Online offer had a feed-in tariff of 17 c/kWh, supply charges of 97 c/day and 3 c/day for the flat rate and controlled load respectively, and usage charges of 23.33 c/kWh and 18.95 c/kWh for the flat rate and control load respectively, and an online sign up credit of \$75.

Small business flat rate offers

Table 13 Net annual bill ranking for customers with small business flat rate offers, June quarter 2020

		Low export rat	Medium export ratio				High export ratio					
	Retailer	Offer name	FiT (c)	Bill (\$)	Retailer	Offer name	FiT (c)	Bill (\$)	Retailer	Offer name	FiT (c)	Bill (\$)
	Impo	ort 3,390 kWh, expo	rt 416 kWh		Impo	ort 3,390 kWh, export	1,769 kWh		In	port 3,390 kWh, export	t 5,792 kWh	
6	Blue NRG	Blue Saver	8	1,102	Blue NRG	Blue Saver	8	994	Origin Energy	Business Solar Boost	7–20	384
smaii imports	Future X Power	Flexi Saver	7	1,133	Red Energy	Qantas Red Business Saver	10–16.1	996	EnergyAust	Total Plan Business	12.65	490
	AGL	Bus Essentials Saver	8.6	1,142	EnergyAust	Total Plan Business	12.65	999	Red Energy	Qantas Red Business Saver	10–16.1	591
	Impo	rt 8,567 kWh, expor	t 1,050 kWh		Import 8,567 kWh, export 4,471 kWh				Im	port 8,567 kWh, export	14,636 kWh	
	Blue NRG	Blue Saver	8	1,967	Blue NRG	Blue Saver	8	1,694	EnergyAust	Total Plan Business	12.65	624
Typical imports	Blue NRG	Blue Saver	8	2,172	Blue NRG	Blue Saver	8	1,899	Diamond Energy	Everyday Renewable Saver	12	783
	Powerclub	Powerbank	8.5	2,193	Powerclub	Powerbank	8.5	1,902	Alinta Energy	Business Deal	11	825
	Impor	t 22,082 kWh, expo	rt 2,701 kWh		Impor	t 22,082 kWh, export	11,497 kWh		lmı	oort 22,082 kWh, export	t 37,633 kWh	
Larao	Blue NRG	Blue Saver	8	3,786	Blue NRG	Blue Saver	8	3,082	EnergyAust	Total Plan Business	12.65	972
imports	Powerclub	Powerbank	8.5	4,828	Powerclub	Powerbank	8.5	4,080	Blue NRG	Blue Saver Qld	8	991
mports	Blue NRG	Blue Saver	8	4,954	Alinta Energy	Business Deal	11	4,140	Alinta Energy	Business Deal	11	1,265

Note: The QCA analysis provides only one offer per retailer. However, there could be multiple offers by a retailer with the same bill value. Sources: Energy Made Easy; QCA analysis.

Customers with low import levels and low export ratios should find offers with lower supply and usage charges attractive. Blue NRG's Blue Saver had supply and usage charges of 100 c/day and 19.68 c/kWh respectively. In some of the scenarios there are different Blue Saver offers which reflect different supply and usage charges.

Customers with high import levels and high export ratios should find offers with higher feed-in tariffs and lower usage charges attractive. EnergyAustralia's cheapest Total Plan Business offer had a feed-in tariff of 12.65 c/kWh, supply and usage charges of 115 c/day and 25.29 c/kWh respectively, and a 13% guaranteed discount.

3.5 Discounting strategies

Some retailers reduced discount rates on market offers with higher solar feed-in tariffs.

- Discover Energy's residential offers included guaranteed discounts ranging from 10 to 15% on offers that included its standard feed-in tariff of 6 c/kWh. However, its Solar Boost offer with a 11.5 c/kWh feed-in tariff included no discounts.
- The majority of Origin Energy's residential offers included guaranteed discounts ranging from 4 to 16% on offers that included a feed-in tariff of 7 c/kWh. However, its Solar Boost offers which had two-part feed-in tariffs with a 7 to 15 c/kWh feed-in tariff included no discounts.

A similar type of strategy was observed in respect to Discover Energy's and Origin Energy's small business offers. We consider that these discounting strategies add to the complexity of comparing offers, but also expand the range of options for customers to choose from.

3.6 Incentives

Some retailers' bill estimates were lowered due to fixed or once-off incentives. Customers should note that in the second year of being contracted to such an offer, a customer maintaining the same import/export ratio will receive a higher bill than in the first year. As such, it is important for customers to note the length of the contract period when signing up for a plan with a fixed incentive, as the real value of that incentive is spread over the term of the contract.

3.7 Presentation of solar offers on Energy Made Easy

Retailers' approaches to solar offers

We have regularly commented in our market monitoring and solar feed-in tariff monitoring reports that retailers do not apply a common approach to identifying solar-only offers on Energy Made Easy. We have also consistently suggested that the comparability of offers on the website would improve if all retailers published separate solar and non-solar offers and added Energex's solar metering charges to daily supply charges on such offers.

The table below summarises our reporting on solar metering charges in our previous solar feedin tariff monitoring reports.

2016–17 report	A small number of retailers consistently offered lower electricity prices to non-solar customers than they offered to solar customers. In some cases, retailers advised this was due to the solar metering charge, which did not apply to non-solar customers, being incorporated into the supply charge.
2017–18 report	All retailers, except Alinta Energy, Mojo Power, Origin Energy and Powerdirect, either did not include higher charges for solar customers on Energy Made Easy, or did not publish solar metering charges.
	Further, in 2016–17, AGL included higher supply charges on offers that included feed-in tariffs than it did on offers that did not include a feed-in tariff. However, in 2017–18, AGL did not vary its supply charges on Energy Made Easy across its solar and non-solar offers.
2018–19 report	AGL, Origin Energy and Powerdirect listed solar metering charges as a separate fee type. AGL and Powerdirect included an annual fee of \$28.105 (GST inclusive) for solar metering charges on all solar offers. This converted to a solar metering charge of 7.7 c/day (GST inclusive). Origin Energy separately identified metering charges of 7 c/day (GST inclusive) on some of its solar offers.

Table 14Solar metering charges, 2016–17 to 2018–19

	Alinta Energy's solar offers had different supply charges compared to its non-solar offers—with the difference (6.43 c/day) equalling the Energex solar metering charge for 2017–18.
	Mojo Power offered a solar feed-in tariff on its Energy Without Benefits (Solar) offer, which had a different supply charge to its non-solar Energy Without Benefits offer—with the difference (6.43 c/day) equalling the Energex solar metering charge for 2017–18.
	Powerclub offered a solar feed-in tariff on its Powerbank Home/Bis Flat (Solar) offer, which had a different supply charge to its non-solar Powerbank Home/Bis Flat offer—with the difference (6.631 c/day) equalling the Energex solar metering charge for 2018–19.

Source: Previous QCA solar feed-in tariff monitoring reports.

In 2019–20, the solar PV metering charge levied by Energex was 6.834 c/day (around \$25 for the year).⁴⁰ Our position remains that if all retailers added the charge to daily supply charges on solar-specific offers, this would provide customers with a more accurate estimate of annual bills than either not disclosing solar metering charges or listing them as a separate fee type.

Based on our analysis of retailers' offers on Energy Made Easy in 2019–20:

- AGL, Discover Energy, EnergyAustralia, Origin Energy and Powerdirect listed solar metering charges as a separate fee.
 - AGL and Powerdirect included an annual fee of \$28.105 (GST inclusive) for solar metering charges on all solar offers. This converts to 7.7 c/day (GST inclusive)
 - Discover Energy included a fee of 7.5 c/day (GST inclusive) for solar metering charges on all solar offers.
 - EnergyAustralia included a fee, up to 7.52 c/day (GST inclusive) only on its Ultra Solar
 Plan offers. EnergyAustralia included the charge in a metering cost field on Energy Made
 Easy; our understanding is that fees in this field, unlike charges in fee type fields, are
 included in bill calculations on Energy Made Easy.
 - Origin Energy included a fee of 6.97 c/day (GST inclusive) for solar metering charges on all solar offers.
- Alinta Energy's solar offers had higher supply charges than its non-solar offers, with the difference (6.43 c/day) equalling the Energex solar metering charge for 2017–18.
- Locality Planning Energy's solar offer had a higher supply charge to its non-solar offer, with the difference (7 c/day) comparable to average Energex solar metering charges.
- Powerclub's solar offers had higher supply charges than its non-solar offers, with the difference (6.834 c/day) equalling the Energex solar metering charge for 2019-20.

Finally, we note that Click Energy had higher supply and usage charges its Click Banksia Solar offers (with a feed-in tariff of 12 c/kWh) than it did on its Click Banksia offers (with a feed-in tariff of 8 c/kWh). The supply charge on the Banksia Solar offers was 15.036 c/day higher than on the Banksia offers, and the usage charge on the Banksia Solar offers was 3.15 c/kWh higher than on the Banksia offers.⁴¹

⁴⁰ Energex, Historic pricing publications web page.

⁴¹ Amaysim Energy, owner of the Click Energy brand, attached the same prices to its Solar As You Go and Electricity As You Go offers, although only the Solar As You Go offer had a feed-in tariff (14 c/kWh) attached to it.

Retail pricing information guidelines

The AER's retail pricing information guidelines require retailers to specify information on additional solar (and other) options that a customer may select, and that if an additional option changes any element of the rest of the plan, a separate plan must be created.⁴² Our interpretation of these requirements is that retailers should be publishing separate solar and non-solar plans given that, at the minimum, recurring solar metering charges should be included in solar plans.

Energy Made Easy website

The redevelopment of Energy Made Easy now allows customers, using actual bill data, to see the value of retailer solar feed-in credits in estimated electricity bills.⁴³ In our view, this upgrade is important and beneficial for customers who currently own a solar PV system.

We also consider that, if all retailers published separate solar and non-solar offers on Energy Made Easy and added solar metering charges to the supply charge of solar offers, solar and nonsolar customers would have access to more complete and comparable offers on the website. Currently, the 'Tell us about your property' section of Energy Made Easy asks the customer to answer 'yes' or 'no' to the question 'Do you have solar panels?'. However, if the customer answers 'no', many offers including solar feed-in tariffs are still shown. If our suggestions are implemented, it may be possible for customers to only view offers specific to their answer to the question regarding solar panels. Further, where solar customers take the opportunity to input feed-in credit information, the reliability of bill estimates they receive on the website would be improved if recurring solar metering charges were included in the bill calculation.

Other benefits of separate solar and non-solar offers

Further, publishing separate solar and non-solar offers, and adding the solar metering charge to the supply charge of solar offers would:

- reduce the likelihood of non-solar customers covering part of the cost of solar customers' solar metering charges, thereby improving the cost-reflectivity of prices on solar and nonsolar offers
- ensure that offers where the solar metering charge is added to the daily supply charge are not presented on Energy Made Easy as being more expensive than other offers where solar metering charges are not included in the supply charge, but are levied as a separate fee by the retailer
- be consistent with the Australian Competition and Consumer Commission (ACCC's) requirement under the Electricity Retail Code that recurring metering charges be included in the unconditional price of offers.⁴⁴

3.8 GST and solar feed-in tariffs

The AER's retail pricing information guidelines require retailers to provide details of how GST is applied to solar feed-in tariffs on their offers on Energy Made Easy.⁴⁵ The retail offer data on Energy Made Easy for 2019–20 shows that many (but not all) retailers complied with this

⁴² AER, Retail Pricing Information Guidelines: version 5, April 2018, page 12 (clauses 54–59).

⁴³ AER, Energy Made Easy redevelopment project web page.

⁴⁴ ACCC, *Guide to the Electricity Retail Code*, June 2020, page 11. We also note that recurring fees are included in the definition of 'price' in the guide to the code (page 11).

⁴⁵ AER, *Retail Pricing Information Guidelines: version 5*, April 2018, page 12 (clause 58).

requirement, and that retailers who do provide GST details do so for residential and small business offers.

Our understanding is that GST is only relevant for businesses that have a 'GST turnover' of \$75,000 or more and are registered for GST.⁴⁶ In our view, the AER should, in its next review of the retail pricing information guidelines, consider whether the guidelines should distinguish between residential and small business offers for the purpose of retailers providing GST information for solar feed-in tariff credits.⁴⁷

⁴⁶ Australian Taxation Office, How GST works web page. We also note that Ergon Retail, on its website, advises its customers that 'GST may apply where customers supply energy to the grid in the course of a GST registered business or enterprise' (Ergon Retail, Solar feed-in tariffs web page).

⁴⁷ In June 2019, the AER released a draft of version 6 of the guidelines for consultation, proposing minor updates to reflect the Electricity Retail Code, but decided later in 2019 not to proceed to amend the guidelines (AER, Retail Pricing Information Guidelines review 2019 web page). In April 2020, as part of its statement of expectations of energy businesses during the coronavirus pandemic, the AER said that it would delay its review of the guidelines as part of reprioritising regulatory initiatives during the pandemic (AER, Statement of Expectations of energy businesses: Protecting consumers and the market during COVID-19 [statement], 9 April 2020).

GLOSSARY

1st Energy	1st Energy Pty Ltd
ACCC	Australian Competition and Consumer Commission
AER	Australian Energy Regulator
AGL	AGL Sales Pty Ltd
Alinta Energy	Alinta Energy Retail Sales Pty Ltd
Amaysim Energy	amaysim Energy Pty Ltd
Amber Electric	Amber Electric Pty Ltd
Blue NRG	Blue NRG Pty Ltd
Click Energy	Click Energy Pty Ltd
CovaU	CovaU Pty Ltd
DC Power	DCP Company Limited
Diamond Energy	Diamond Energy Pty Ltd
Discover Energy	Discover Energy Pty Ltd
DMO	Default market offer
Dodo Power & Gas	Dodo Power & Gas (M2 Energy Pty Ltd)
Elysian Energy	Elysian Energy Pty Ltd
EnergyAustralia or EnergyAust	EnergyAustralia Pty Ltd
Energy Locals	Energy Locals Pty Ltd
ERM Power	ERM Power Limited
ESC	Essential Services Commission (Victoria)
ESCOSA	Essential Services Commission of South Australia
FiT	feed-in tariff
Future X Power	Future X Group Pty Ltd
GloBird Energy	GloBird Energy Pty Ltd
GST	Goods and Services Tax
IPART	Independent Pricing and Regulatory Tribunal (NSW)
Kogan Energy	Kogan Australia Pty Ltd
kWh	kilowatt hours
Locality Planning Energy or LPE	Locality Planning Energy Pty Ltd
Lumo Energy	Lumo Energy Pty Ltd

Mojo Power	Mojo Power Pty Ltd
Next Business Energy or NBE	Next Business Energy Pty Ltd
NSW	New South Wales
Origin Energy	Origin Energy Pty Ltd
Ovo Energy	OVO Energy Pty Ltd
People Energy	People Energy Pty Ltd
Powerclub	Power Club Limited
Powerdirect	Powerdirect Pty Ltd
Powershop	Powershop Australia Pty Ltd
PV	Solar photovoltaic
QCA	Queensland Competition Authority
QEnergy	QEnergy Limited
QPC	Queensland Productivity Commission
ReAmped Energy	ReAmped Energy Pty Ltd
Red Energy	Red Energy Pty Ltd
SEQ	south east Queensland
Simply Energy	Simply Energy Pty Ltd
Urth Energy	Urth Energy Pty Ltd

APPENDIX A: BILL CALCULATIONS

In accordance with the terms of reference, this report is based on offer data as published on the AER's Energy Made Easy website. In calculating annual bills, we included:

- fixed supply charges
- variable usage charges
- one-off sign-up bonuses
- guaranteed and conditional discounts
- annual membership fees
- solar metering charges
- fees to access wholesale prices
- feed-in tariff amounts (for section 3.2 only).

We did not add additional charges to bills for features offered by retailers that incur an additional charge (e.g. GreenPower), or fees and charges that did not apply to all customers (e.g. credit card payment fees and paper bill fees).

The table below shows how these elements were used in calculating market offer prices and net bill position for solar customers.

|--|

	Market offer — annual bill												
Supply costs (retailer daily supply charge x 365.25) ^a	osts + Cost of electricity imported daily (retailer variable) ^a usage x annual consumption level)		+	 Membership fees and/or fees to access wholesale prices 		 One-off sign up bonuses, guaranteed and conditional discounts 		GST					
Net overall annual bill position													
Supply costs (retailer daily supply charge + metering charges x 365.25)	+	Cost of electricity imported (retailer variable usage charge x annual consumption level)	+	Membership fees and/or fees to access wholesale prices	_	One-off sign up bonuses, guaranteed and conditional discounts	+	GST ⁵	_	Revenue from solar exports (annual consumption level x export ratio x retailer FiT)			

a Includes metering fees which retailers identify as being charge separately (if any).

b While revenue from solar FiT payments may attract GST for some customers, we understand this does not appear on electricity bills.

For offers with two feed -in tariffs, the revenue from solar exported has been calculated by applying the first feed-in tariff to the specified export threshold (daily or annual kWh) and the second feed-in tariff applied to exports above that export threshold.

APPENDIX B: SUPPLEMENTARY DATA

Feed-in tariffs in previous reporting years

The following two tables show the residential and small business flat rate feed-in tariffs in each quarter of 2015–16, 2016–17, 2017–18 and 2018–19.

Table 16 Residential single feed-in tariffs by quarter, 2015–16 to 2018–19 (c/kWh)

Retailer	2015–16					2016	-17			2017-	-18			2018	-19	
	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
1 st Energy	_	_	_	_	_	_	-	_	_	_	_	_	6	6	6	6
AGL	8	6–8	6	6	6	6	6	6	10.6	10.6	10.6	10.6–20	10.6–20	10.6–20	10.6–20	10.6–20
Alinta Energy	—	—	—	—	—	_	-	—	11	11	11	11	11	11	11	11
Amaysim Energy	—	—	—	—	—	_	-	—	_	14	14	14	14	14	14	14
Click Energy	6–11	6–11	6–11	6–11	6–11	6–11	6–11	6–11	10–15	10–15	8–16	8–16	8–16	8–16	8–16	8–16
DC Power	—	—	—	—	—	_	-	—	—	—	—	—	-	—	15	15
Diamond Energy	8	8	8	8	8	8	8	8	12	12	12	12	12	12	12	12
Dodo Power & Gas	4	4	4	4	4–6.5	4–6.5	4–6.5	4–6.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
EnergyAustralia	6	6	6	6	6	6	6	6	11	11	11	11–16.1	16.1	16.1	16.1	16.1
Energy Locals	—	—	—	—	—	10	10	10	12.1	10–12.1	10–12.1	10–12.1	9–16	9–16	9–16	9–16
Future X Power	—	—	—	—	—	—	-	—	_	-	—	—	—	_	_	7
Lumo Energy	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Mojo Power	_	—	—	—	7.3	7.3	7.3	7.3	9	9	9	9	9	9	9	9
Origin Energy	6	6	6	6	6	6	6–10	6–10	7	7	7	7	7	7	7–17	7–17
Powerclub	—	—	—	—	—	—	-	—	_	-	—	—	—	_	9.5	9.5
Powerdirect	6–8	6–8	6–8	6	6–8	6–8	6–8	6–8	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6
Powershop	—	—	—	—	—	8.2	8.2	8.2	10.8	10.8-12.2	12.2	12.2	9.5	9.5	9.5	9.5
QEnergy	—	—	—	—	—	_	-	—	—	8	8	8	8	8	8	8
Red Energy	—	—	—	—	—	6	6	6	6	6	6–11.5	6–11.5	6–11.5	6–11.5	6	6
Simply Energy	_	_	_	—	6.2	6.2	6.2	6.2	6.2–11.3	11.3	11.3	11.3	10	10	10	10
Urth Energy ^a	—	5–10	5–10	5–10	5–10	5–10	-	—	-	—	_	_	_	_	_	-
Highest	11	11	11	11	11	11	11	11	15	15	16	20	20	20	20	20
Average ^b	6.6	6.6	6.6	6.5	6.5	6.7	6.8	6.7	9.8	10	10.2	10.5	10.1	10.1	10.1	9.9
Lowest	4	4	4	4	4	4	4	4	6	6	6	6	6	6	6	6

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a Urth Energy's retail authorisation was revoked by the AER in February 2017 following the company's entry into administration. b Historic FiT averages for 2017–18 and 2018–19, have been updated to exclude Mojo Power and Red Energy's two-part feed-in tariffs. Notes: A dash (—) means the retailer did not attach a feed–in tariff to its offer(s) in the SEQ market, or did not have any offers in the market. Source: Energy Made Easy.

Retailer 2015–16						201	6–17			2017	7-18		2018–19			
	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
1 st Energy	_	-	_	_	_	_	-	-	-	-	_	_	6	6	6	6
AGL	8	6–8	6	6	6	6	6	6	10.6	10.6	10.6	10.6	10.6–20	10.6–20	10.6–20	10.6–20
Alinta Energy	—	-	-	-	-	-	-	-	11	11	11	11	11	11	11	11
Amaysim Energy	—	-	-	-	-	-	-	-	-	-	-	-	10	10	10	10
Diamond Energy	8	8	8	8	8	8	8	8	12	12	12	12	12	12	12	12
EnergyAustralia	6	6	6	6	6	6	6	6	11	11	11	11–16.1	16.1	16.1	16.1	16.1
Energy Locals	—	-	-	-	-	10	10	10	12.1	10-12.1	10–12.1	10–12.1	9–12.1	9–12.1	9–12.1	9–12.1
ERM Power	8	8	8	8	8	8	8	8	-	8	8	8	8	8	-	-
Lumo Energy	6–7	6–7	6–7	6–7	6	6	6	6	6	6	6–11.5	6–11.5	6–11.5	6–11.5	6–11.5	6
NBE	—	-	-	-	-	-	-	-	-	-	-	-	10	10	10	10
Origin Energy	6	6	6	6	6	6	6	6	7	7	7	7	7–17	7–18	7–18	7–18
Powerclub	—	-	-	-	-	-	-	-	-	-	-	-	-	-	9.5	9.5
Powerdirect	6–8	6–8	6–8	6	6–8	6–8	6–8	6–8	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6
Powershop	—	-	_	_	_	8.2	8.2	8.2	10.8	10.8–12.2	12.2	12.2	9.5	9.5	9.5	9.5
QEnergy	—	-	—	—	—	—	—	-	-	8	8	8	8	8	8	8
Red Energy	—	-	_	_	_	6	6	6	6	6	6–11.5	6–11.5	6–11.5	6–11.5	6–11.5	6
Simply Energy	—	-	-	-	6.2	6.2	6.2	6.2	6.2-11.3	11.3	11.3	11.3	10	10	10	10
Urth Energy ^a	—	5–10	5–10	5–10	5–10	5–10	_	-	-	-	_	_	-	-	-	-
Highest	8	10	10	10	10	10	10	10	12.1	12.2	12.2	16.1	20	20	20	20
Average ^b	6.8	6.7	6.6	6.5	6.5	6.8	6.7	6.7	9.7	9.6	9.9	10.2	10	9.9	10	9.5
Lowest	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6

Table 17 Small business single feed-in tariffs by quarter, 2015–16 to 2018–19 (c/kWh)

a Urth Energy's retail authorisation was revoked by the AER in February 2017 following the company's entry into administration.

b Historic FiT averages for 2018–19, have been updated to exclude Red Energy's two-part feed-in tariffs.

Notes: A dash (—) means the retailer did not attach a feed-in tariff to its offer(s) in the SEQ market, or did not have any offers in the market. Source: Energy Made Easy.

Annual bill variations for the first three quarters of 2019–20

The following four tables show the lowest and highest bills for the residential and small business tariffs/tariff combinations, excluding solar feed-in tariff credits, for the first three quarters of 2019–20.

Retailer		September			December		March				
	Lowest	Highest	Variance	Lowest	Highest	Variance	Highest	Lowest	Variance		
1st Energy	1,516	1,602	86	1,516	1,602	86	1,405	1,602	197		
AGL	1,361	1,638	277	1,344	1,638	293	1,344	1,638	293		
Alinta Energy	1,398	1,457	60	1,398	1,457	60	1,398	1,457	60		
Amaysim Energy	1,608	1,633	25	1,608	1,633	25	1,608	1,633	25		
Amber Electric	-	-	-	1,608	1,608	0	1,608	1,608	0		
Click Energy	1,285	1,608	323	1,285	1,608	323	1,260	1,608	348		
CovaU	-	-	-	-	-	_	1,368	1,609	241		
DC Power Co	1,846	1,952	106	1,846	1,952	106	1,952	1,952	0		
Diamond Energy	1,404	1,404	0	1,404	1,404	0	1,404	1,404	0		
Discover Energy	1,451	1,638	187	1,451	1,638	187	1,451	1,638	187		
Dodo Power & Gas	1,488	1,609	121	1,488	1,609	121	1,488	1,609	121		
Elysian Energy	1,384	1,579	194	1,384	1,579	194	1,384	1,579	194		
Energy Locals	1,464	1,712	248	1,464	1,603	139	1,464	1,603	139		
EnergyAustralia	1,433	1,610	177	1,433	1,610	177	1,433	1,610	177		
Future X Power	1,464	1,609	145	1,379	1,609	230	1,367	1,609	242		
Kogan Energy	1,371	1,371	0	1,371	1,371	0	1,371	1,425	54		
Locality Planning Energy	1,400	1,400	0	1,400	1,400	0	1,428	1,428	0		
Origin Energy	1,351	1,608	257	1,376	1,634	257	1,376	1,634	257		
OVO Energy	-	-	-	_	-	—	1,314	1,314	0		
Powerclub	1,556	1,556	0	1,556	1,556	0	1,556	1,556	0		
Powerdirect	1,461	1,461	0	1,428	1,461	32	1,428	1,428	0		
Powershop	1,355	1,438	83	1,355	1,438	83	1,355	1,438	83		
QEnergy	1,373	1,608	235	1,373	1,608	235	1,373	1,608	235		
ReAmped Energy	1,341	1,341	-	1,322	1,377	55	1,322	1,377	55		
Red Energy	1,444	1,608	164	1,444	1,608	164	1,444	1,608	164		
Simply Energy	1,507	1,507	0	1,507	1,507	0	1,507	1,507	0		

Table 18 Annual bill variations, residential flat rate offers, September, December and March quarters 2019–20 (\$ per year)

Notes: A dash (—) means the retailer did not have any offers on Energy Made Easy. Sources: Energy Made Easy; QCA analysis.

Retailer		September			December		March			
	Lowest	Highest	Variance	Lowest	Highest	Variance	Highest	Lowest	Variance	
1st Energy	1,645	1,738	92	1,645	1,738	92	1,524	1,738	214	
AGL	1,483	1,778	294	1,468	1,778	310	1,468	1,778	310	
Alinta Energy	1,489	1,554	65	1,489	1,554	65	1,489	1,554	65	
Amaysim Energy	1,791	1,833	42	1,791	1,833	42	1,791	1,833	42	
Amber Electric	_	-	-	1,794	1,794	0	1,794	1,794	0	
Click Energy	1,437	1,791	355	1,437	1,791	355	1,412	1,791	380	
CovaU	_	_	_	_	_	-	1,486	1,749	262	
DC Power Co	2,074	2,215	141	2,074	2,215	141	2,215	2,215	0	
Diamond Energy	1,530	1,530	0	1,530	1,530	0	1,530	1,530	0	
Discover Energy	1,602	1,814	212	1,602	1,814	212	1,602	1,814	212	
Dodo Power & Gas	1,658	1,793	135	1,658	1,658	-	1,658	1,793	135	
Elysian Energy	1,550	1,770	220	1,550	1,770	220	1,550	1,770	220	
Energy Locals	1,658	1,956	298	1,658	1,791	133	1,658	1,790	132	
EnergyAustralia	1,534	1,787	253	1,534	1,787	253	1,534	1,787	253	
Future X Power	1,624	1,790	166	1,528	1,790	262	1,528	1,790	262	
Kogan Energy	1,544	1,544	0	1,544	1,544	0	1,544	1,600	56	
Locality Planning Energy	_	-	-	_	-	-	1,520	1,520	0	
Origin Energy	1,505	1,792	287	1,531	1,818	287	1,531	1,818	287	
OVO Energy	_	-	-	_	-	-	1,496	1,496	0	
Powerclub	1,760	1,760	0	1,760	1,760	0	1,760	1,760	0	
Powerdirect	1,585	1,585	0	1,550	1,585	35	1,550	1,550	0	
Powershop	1,511	1,605	94	1,511	1,605	94	1,511	1,605	94	
QEnergy	1,426	1,778	352	1,426	1,778	352	1,426	1,778	352	
ReAmped Energy	1,412	1,412	0	1,412	1,511	99	1,456	1,511	55	
Red Energy	1,602	1,781	179	1,602	1,781	179	1,602	1,781	179	
Simply Energy	1,668	1,668	0	1,668	1,668	0	1,668	1,668	0	

Table 19 Annual bill variations, residential flat rate with controlled load super economy offers, September, December and March quarters 2019–20 (\$ per year)

Notes: A dash (—) means the retailer did not have any offers on Energy Made Easy. Sources: Energy Made Easy; QCA analysis.

Retailer	September				December		March			
	Lowest	Highest	Variance	Lowest	Highest	Variance	Highest	Lowest	Variance	
1st Energy	1,688	1,782	94	1,688	1,782	94	1,564	1,782	219	
AGL	1,475	1,806	331	1,475	1,806	331	1,493	1,806	314	
Alinta Energy	1,543	1,611	68	1,543	1,611	68	1,543	1,611	68	
amaysim Energy	1,780	1,854	74	1,780	1,854	74	1,780	1,854	74	
Click Energy	1,427	1,780	353	1,427	1,780	353	1,402	1,780	378	
CovaU	—	—	—	—	—	—	1,512	1,779	267	
DC Power Co	2,081	2,206	125	2,081	2,206	125	2,206	2,206	0	
Diamond Energy	1,543	1,543	0	1,543	1,543	0	1,543	1,543	0	
Discover Energy	1,593	1,806	213	1,593	1,803	210	1,593	1,803	210	
Dodo Power & Gas	1,649	1,783	134	1,649	1,649	0	1,649	1,783	134	
Elysian Energy	1,539	1,758	219	1,539	1,758	219	1,539	1,758	219	
Energy Locals	1,647	1,945	298	1,647	1,788	140	1,647	1,782	135	
EnergyAustralia	1,575	1,776	201	1,575	1,776	201	1,575	1,776	201	
Future X Power	1,615	1,779	164	1,519	1,779	260	1,519	1,779	260	
Kogan Energy	1,540	1,540	0	1,540	1,540	0	1,540	1,596	56	
Locality Planning Energy	_	_	—	_	_	-	1,600	1,600	0	
Origin Energy	1,496	1,781	285	1,521	1,806	285	1,521	1,806	285	
OVO Energy	—	_	—	—	—	-	1,491	1,491	0	
Powerdirect	1,611	1,611	0	1,575	1,611	36	1,575	1,575	0	
Powershop	1,502	1,618	116	1,502	1,618	116	1,502	1,618	116	
QEnergy	1,475	1,767	292	1,475	1,767	292	1,475	1,767	292	
ReAmped Energy	1,490	1,490	0	1,490	1,565	75	1,510	1,565	55	
Red Energy	1,592	1,770	178	1,592	1,770	178	1,592	1,770	178	
Simply Energy	1,704	1,704	0	1,704	1,704	0	1,704	1,704	0	

Table 20 Annual bill variations, residential flat rate with controlled load economy offers, September, December and March quarters 2019–20 (\$ per year)

Notes: A dash (—) means the retailer did not have any offers on Energy Made Easy. Sources: Energy Made Easy; QCA analysis.

Retailer		September			December		March				
	Lowest	Highest	Variance	Lowest	Highest	Variance	Highest	Lowest	Variance		
1st Energy	2,589	2,732	143	2,589	2,732	143	2,317	2,732	416		
AGL	2,535	2,909	375	2,348	2,909	561	2,348	2,909	561		
Alinta Energy	2,575	2,575	0	2,575	2,575	0	2,575	2,575	0		
Amaysim Energy	2,838	2,909	71	2,838	2,909	71	2,838	2,909	71		
Blue NRG	2,546	2,858	312	2,346	2,858	512	2,051	2,858	807		
Click Energy	2,539	2,909	370	2,539	2,909	370	2,514	2,909	395		
CovaU	—	—	-	-	—	-	2,445	2,877	432		
Diamond Energy	2,539	2,539	0	2,539	2,539	0	2,539	2,539	0		
Discover Energy	2,520	2,877	357	2,520	2,877	357	2,520	2,877	357		
Elysian Energy	2,695	2,968	273	2,695	2,968	273	2,695	2,915	220		
Energy Locals	2,649	3,334	685	2,649	3,334	685	2,649	3,334	685		
EnergyAustralia	2,475	2,845	370	2,475	2,845	370	2,475	2,845	370		
Future X Power	2,712	2,877	165	2,429	2,877	448	2,405	2,877	472		
Locality Planning Energy	—	—	-	-	—	-	2,529	2,529	0		
Next Business Energy	2,677	2,878	201	2,677	2,878	201	2,677	2,878	201		
Origin Energy	2,461	2,861	401	2,486	2,887	401	2,543	2,887	343		
Powerclub	2,436	2,625	188	2,436	2,625	188	2,436	2,625	188		
Powerdirect	2,650	2,650	0	2,448	2,650	202	2,448	2,448	0		
Powershop	2,411	2,638	227	2,411	2,638	227	2,411	2,638	227		
QEnergy	2,450	2,874	424	2,450	2,874	424	2,450	2,874	424		
ReAmped Energy	—	—	-	2,382	2,382	0	2,382	2,382	0		
Red Energy	2,401	2,893	492	2,401	2,893	492	2,487	2,893	406		
Simply Energy	2,536	2,536	0	2,536	2,536	0	2,536	2,536	0		

Table 21 Annual bill variations, small business flat rate offers, September, December and March quarters 2019–20 (\$ per year)

Notes: A dash (—) means the retailer did not have any offers on Energy Made Easy. Sources: Energy Made Easy; QCA analysis.