

STANDING OFFER ELECTRICITY PRICES TO FALL FROM 1 JULY 2020

The Tasmanian Economic Regulator, Mr Joe Dimasi, has approved a 1.38 per cent decrease in Aurora Energy's standing offer electricity prices that will apply from 1 July 2020 to 30 June 2021.

"The standing offer price decrease is expected to reduce the annual bill for a typical residential customer with medium usage on the flat rate Lights and Power tariff (Tariff 31)/Heating and Hot Water tariff (Tariff 41) by around \$29, which is very similar to the reduction for a residential customer with the same usage on the residential Time-of-Use (ToU) tariff (Tariff 93).

For small business customers on the flat rate business tariff (Tariff 22) with medium to high usage, the decrease is expected to be between \$23 and \$46 per annum. In the case of small business customers on the business ToU tariff (Tariff 94), that tend to consume more electricity, the decrease is expected to be around \$125 per annum for the typical customer," Mr Dimasi said.

The price decrease largely reflects lower wholesale electricity costs (due to a lower wholesale electricity price) and lower network costs. However, the impact of these reduced costs has been significantly offset by increases in metering costs, Renewable Energy Target (RET) costs that relate to Large-scale Generation Certificates (LGCs) and under-recoveries from the previous year (2019-20).

The increase in metering costs is due, in part, to the expected increase in the number of advanced meters to be installed in 2020-21. These meters allow Aurora Energy to offer ToU tariffs and its Aurora + product.

Aurora Energy's RET costs for LGCs have increased for 2020-21, compared to the expected RET costs for 2019-20, even though the market prices across the National Electricity Market for LGCs have been falling.

The Tasmanian Economic Regulator has also calculated the 2020-21 Regulated Minimum Feed-in Tariff Rate to be 8.471c/kWh. The rate for 2020-21 is lower than the 2019-20 rate due to the significant decrease in the wholesale electricity price for 2020-21.

For further information contact:
Chris Lock
Director, Office of the Tasmanian
Economic Regulator
Tel: (03) 6166 4433
office@economicregulator.tas.gov.au

Aurora Energy's Standing Offer Pricing Proposal and the approved 2020-21 Standing Offer Tariff Schedule are available at:
<https://www.economicregulator.tas.gov.au/electricity/pricing/retail/pricing-approvals>

More information about feed-in tariffs is available at:
<https://www.economicregulator.tas.gov.au/electricity/pricing/feed-in-tariffs>

