

REGULATED ELECTRICITY PRICES AND FEED-IN TARIFF RATE TO APPLY FROM 1 JULY 2024

The Tasmanian Economic Regulator, Mr Joe Dimasi, has today approved Aurora Energy's proposed regulated retail electricity (standing offer) prices for 2024-25.

From 1 July 2024, Aurora Energy's standing offer prices will increase, on average, by 0.50 per cent for residential and small business customers on mainland Tasmania.

The approved prices are estimated to increase the annual bill for a residential customer on Tariff 31 / 41 with median usage of 7 428kWh by \$16. The annual bill for residential customers on time-of-use Tariff 93 using 7 932kWh is estimated to increase by \$13.

For a business customer on Tariff 22 with median usage of 3 508kWh, the annual bill is estimated to increase by \$5. For businesses on this tariff with higher usage, annual bills are estimated to decrease by \$9. For a business customer on time-of-use Tariff 94 using 12 180kWh, the annual bill is estimated to increase by \$3.

The price change was influenced by a couple of factors including the Australian Energy Regulator's recent approval of higher network costs for TasNetworks and an increase in metering costs due to the accelerated rollout of advanced meters which pushed up prices. However, these increases were largely offset by lower wholesale electricity costs as a result of a much lower wholesale electricity price for 2024-25 compared to 2023-24 (see Table 1 for more details).

Without the increase to network costs, standing offer prices would have fallen by approximately five per cent in 2024-25, Mr Dimasi said.

Mr Dimasi noted that "currently regulated prices in Tasmania remain amongst the lowest regulated prices in the country".

Mr Dimasi noted the number of Australian and Tasmanian Government electricity rebates available, which will more than offset the impact of the 2024-25 price increase for the majority of customers. These rebates include the Australian Government's recently announced electricity rebate of \$300 for all residential customers and \$325 for small business customers, together with the Tasmanian and Australian Government's Energy Bill Relief of \$250 for eligible households and the Tasmanian Government's ongoing Renewable Energy Dividend and concessions for eligible customers.

Customers having difficulty paying their bills are encouraged to contact their retailer. Under national energy laws, retailers must have a hardship policy and give customers information about different payment options and the availability of government assistance.

While Aurora Energy's tariffs are increasing by an average of 0.5 per cent overall, it has made some changes to the structure of its tariffs for 2024-25. These changes will see an increase in its daily supply charge and a decrease in the energy usage charges (see Table 2).

As a result of TasNetworks no longer offering flat rate network tariffs for new connections from 1 July 2024, Aurora Energy is closing its corresponding flat rate tariffs for new connections. Customers seeking new connections will be offered a regulated time-of-use tariff or offered a market retail contract if a flat rate tariff is preferred.

Mr Dimasi commented that he will be further examining the structure of Aurora Energy's tariffs, including ensuring that there are available suitable standing offer tariffs to new customers for the next electricity determination which will commence shortly and will be in place by 1 July 2025.

The Regulator has also determined a minimum feed-in tariff rate of 8.935c/kWh for 2024-25. This rate is 17.8 per cent lower than the 2023-24 rate of 10.869c/kWh. This decrease is primarily due to the lower wholesale electricity price for 2024-25.

<p>For further information contact: Kirstan Long Director, Office of the Tasmanian Economic Regulator Tel: (03) 6145 5899 office@economicregulator.tas.gov.au</p>	<p>Aurora Energy's Standing Offer Pricing Proposal and the 2024-25 Standing Offer Price Schedule are available at: Pricing approvals More information about feed-in tariffs is available at: Feed-in Tariffs</p>
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Table 1: Comparison of Aurora Energy's cost components between 2023-24 and 2024-25

Cost component	Contribution to total costs in 2024-25 (%)	Total costs		Percentage change (%)
		2023-24 (\$m)	2024-25 (\$m)	
Energy Cost	32	251.7	197.7	-21.5
Network Costs	42	228.9	254.4	11.2
Forecast RET Costs	7	41.4	40.0	-3.4
Cost to Serve	7	44.8	45.5	1.6
Metering Costs	6	33.7	38.8	15.2
Retail Margin	5	29	30.4	5.0
Forecast AEMO Costs	1	6	6.1	1.6
Over / Under Recoveries	0	-2.7	0.5	120.1
Total*	100	632.8	613.6	-3.0

*Totals may not be exact due to rounding.

Note: Aurora Energy's total costs decreased by 3.0 per cent in 2024-25 but are spread over a lower number of energy users compared to 2023-24, resulting in an average price increase of 0.50 per cent.

While the average price increase in 2024-25 is 0.50 per cent, the changes in the daily supply charge and energy usage components of Aurora Energy's prices are set out in Table 2.

Table 2: Changes in Aurora Energy's daily supply charge and energy usage components

Components of standing offer prices	Percentage change (%)
All daily supply charges except for Tariff 22	+ 6.8
Daily supply charge for Tariff 22	+ 4.0
Energy usage charges for all tariffs	- 1.0