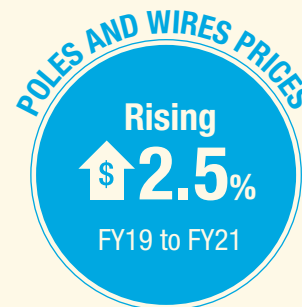
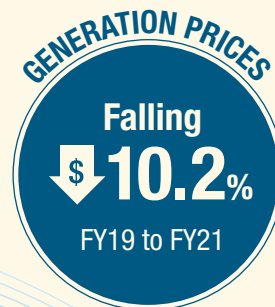


AUSTRALIAN ENERGY MARKET COMMISSION

POWER PRICES FALLING OVERALL

RESIDENTIAL ELECTRICITY PRICE TRENDS REPORT 21 DECEMBER 2018

The single biggest driver of price in the next two years will be structural change in the wholesale generation sector. Demand is relatively flat so wholesale costs are being driven lower by increased supply from renewables.



Falling generation costs are offsetting slight rises in other supply chain costs



Bill = USAGE x PRICE

Every household is different. Bills change depending on how much power you use and when. Costs are also affected by where you live and government policy.

OVERALL SUPPLY COSTS

Most Australians can expect to see falling electricity prices over the next two years.

WHOLESALE

More wind and solar is being built than ever before and it's driving prices down in the near term.

NETWORKS

Managing the costs of connecting new generation will be a major challenge in the years ahead.

ENVIRONMENTAL POLICY

By 2020 around 20% of power will be supplied by renewables incentivised through LRET and state-based schemes.

AUSTRALIAN ENERGY MARKET COMMISSION RESIDENTIAL ELECTRICITY PRICE TRENDS AROUND THE NATION 2018

Most Australians can expect to see falling electricity prices over the next two years. All states in the national electricity market are expected to see falls - SA, VIC, TAS, NSW and south east Queensland. We estimate slight rises for WA, ACT and NT.

Saving from switching to the lowest market offer from the lowest standing offer for representative consumer

SEQ **\$254** VIC **\$465**
NSW **\$293** SA **\$357**
ACT **\$286**

Legend

Supply chain cost components of a typical bill

Market offer	Standing offer
Wholesale	Wholesale
Networks	Networks
Environmental	Environmental
Residual	Residual

This report's focus is on the drivers of total bill trends. The residual applies in most jurisdictions. It includes operating costs and margins.

