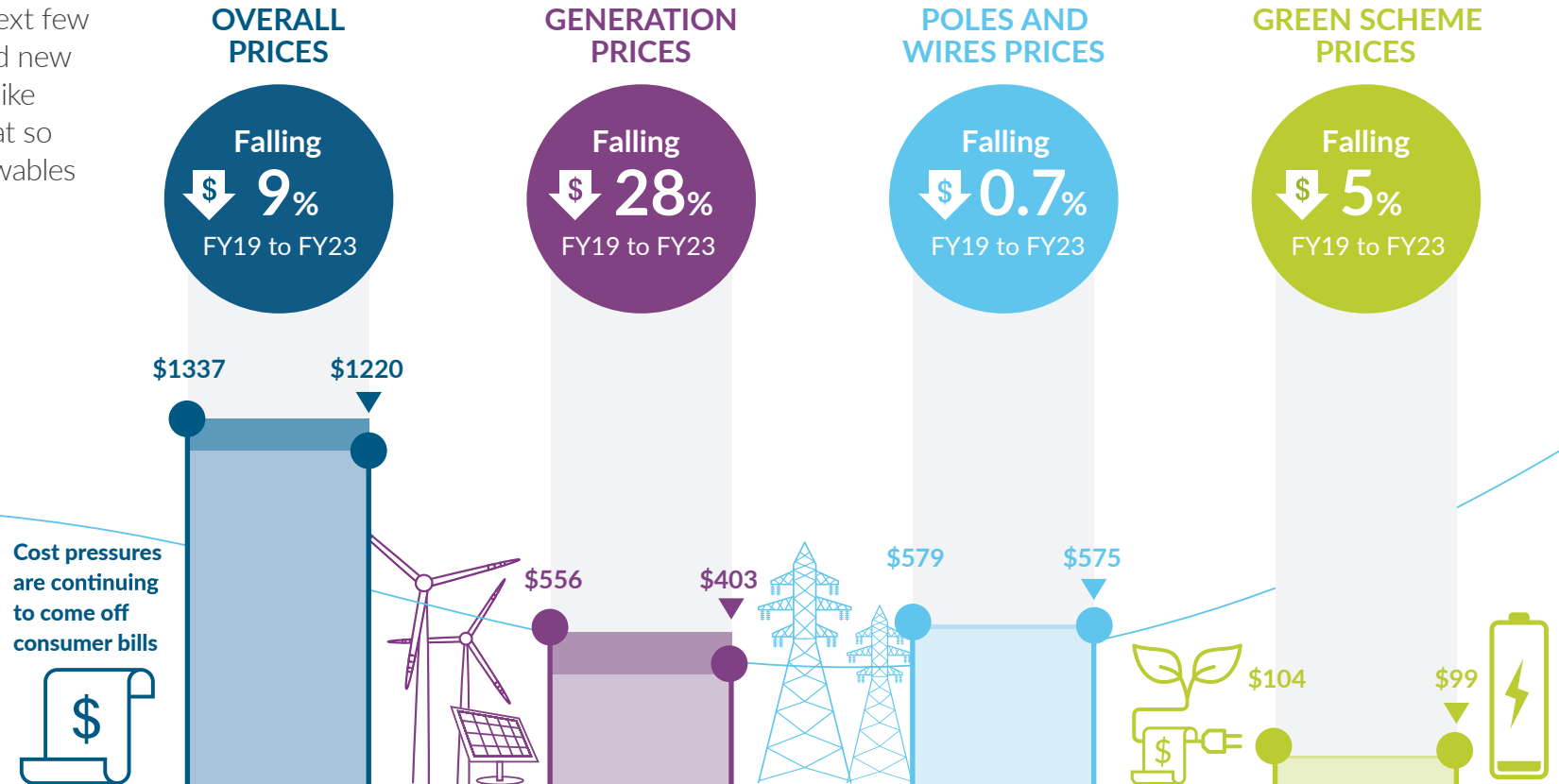


AUSTRALIAN ENERGY MARKET COMMISSION

POWER PRICES SET TO FALL OUT TO 2023

RESIDENTIAL ELECTRICITY PRICE TRENDS REPORT 21 DECEMBER 2020

The biggest driver of price in the next few years will be cheaper gas prices and new and cheaper electricity generation like wind and solar. Demand remains flat so increased power supply from renewables is driving wholesale costs lower.



Cost pressures are continuing to come off consumer bills



Bill = USAGE x PRICE

Every household is different. Bills change depending on how much power you use and when. Demand is affected by temperatures where you live and costs can depend on state/territory government policies and whether or not your local network needs extra investment.

OVERALL SUPPLY COSTS

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

WHOLESALE

New generation capacity is entering the system and driving significant falls in wholesale prices.

NETWORKS

The cost of connecting new generation to distribution and transmission networks is coming down.

ENVIRONMENTAL POLICY*

After mostly increasing over the past decade we have projected for two years running that these costs will drop.

* These costs include the Australian Government Renewable Energy Target and relevant jurisdictional schemes.