

Our ref: CRP0208

5 March 2026

Centre for Independent Studies

Sydney 2000

By email:

Dear

Freedom of Information Act application - Determination

I refer to your application to the AEMC under section 13 of the *Freedom of Information Act 1991* (the FOI Act) received on 3 December 2025, and your email dated 2 December 2025 confirming that “internal correspondence” could be taken to be in reference to “internal correspondence to and from the Commission (as our decision makers)”. I also refer to your email dated 22 December 2025 confirming that you would like to update the scope of your request to:

I would like to request any drafts of the Residential Price Trends Report prepared for release ~~during 2022 or 2023~~, as well as internal correspondence ~~to and from the Commission (as our decision makers)~~ and external correspondence regarding postponing the reports ~~in 2022 and/or 2023~~ and/or redesigning the methodology of the reports ~~between 1 Jan 2023 to 31 July 2023~~ report for ~~2022, 2023 and/or 2024~~ with the following: members of the ECMC/Energy National Cabinet Reform Committee, the AER and AEMO.

Date ranges for the documents are: ~~1 January 2022 to 28 November 2024, 1 Jan 2023 to 31 July 2023~~

Please exclude publicly available documents and duplicates.

(collectively, the Application).

Determination

We conducted a search for documents within the scope of your Application, and identified the documents listed in the document schedule to this letter.

The reasons I have made these access decisions are summarised in the document schedule and are explained in more detail below.

The below sets out a summary of those documents that we have provided full access and partial access to.

Please note, details of your FOI application, and the documents to which you are given access, will be published in the AEMC’s disclosure log.

Consistent with your application, we have arranged electronic access to the documents. Once we receive payment of the fees outlined below, we will provide you with a link that will be accessible for two weeks.

Access granted

For document 4, access will be granted in full.

Partial access granted



Section 20(4) of the FOI Act provides if it is practicable to give access to a copy of a document with exempt matter deleted, and it appears the applicant would wish to be given such a copy, the agency must give access to a copy of the document to this limited extent. Therefore, I have determined to grant partial access to these documents and to refuse access to the remaining parts of the documents I consider to be exempt.

The reasons I have refused access to certain parts of the documents are summarised in the attached document schedule and are explained in more detail below.

For documents 1-3 and 5-19, I have redacted information on names and contact details. I have determined that the names and contact details of certain individuals referred to in these documents are exempt under Schedule 1, clause 6(1) of the FOI Act on the basis that disclosing them would involve the unreasonable disclosure of information concerning their personal affairs.

The disclosure of this information would be an unreasonable disclosure of personal information because it relates to persons in their personal capacity, contains information that concerns or affects such persons as individuals and/or otherwise includes private contact information.

As such, this information has been redacted.

Matters we have considered

In forming the views outlined above, I have considered:

- the objects of the FOI Act, particularly promoting openness and accountability;
- consultation responses received by this agency from market bodies, jurisdictions and other interested parties; and
- the contents of the documents.

[Redacted text block]

[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted text block]

[Redacted text block]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

You can seek review

If you disagree with this determination you are entitled to apply for an internal review in accordance with section 29 of the FOI Act. To make an internal review application, please either write a letter or send the attached *Application for Review of Determination* form to AEMC's Principal Officer, Mr Geoffrey Rutledge, within 30 calendar days after you receive this letter. Should you submit an internal review application, please include an application fee of \$43.30.

Should you require any further information please contact me on [Redacted] or on [Redacted]

Yours sincerely

[Redacted Signature]

Yours sincerely

[Redacted Name]

Accredited FOI Officer, AEMC

FREEDOM OF INFORMATION

DOCUMENT SCHEDULE

Agency: Australian Energy Market Commission

Title/Date: Application from [REDACTED], Centre for Independent Studies, regarding requests for any drafts of the residential price trends report prepared for release and any correspondence with AEMC decision makers on postponing and / or redesigning the report; and external correspondence with ECMC/Energy National Cabinet Reform Committee, the AER and AEMO for the period 1 January 2023 to 31 July 2023.

Doc No	Brief Description	Date of Doc	Access Determination
1.	RE_Price Trends 2023 project update and jurisdictional feedback.msg	20.07.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
2.	RE: Notes of Policy meeting 26 April 2023 – Price Trends 2023 Scope	10.05.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
3.	Informal discussion_approach_purpose of the upcoming price trends.msg	17.01.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
4.	DRAFT Price trends 2023 proposal for Commission 2022_12_22.pptx	17.01.2023	Full Access granted

5.	FW_ AEMC's retail electricity price trends report 2023_SEC_OFFICIAL_.msg	03.07.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
6.	Commission Slides for Price Trends policy discussion on 8 Feb.msg	02.02.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
7.	Price trends 2023 Commission Policy Discussion 8 February.pdf	02.02.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
8.	Price Trends 2023 project update and jurisdictional feedback.msg	17.07.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
9.	RE_ AEMC's retail electricity price trends report 2023_SEC_OFFICIAL_.msg	30.03.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
10.	RE_ AEMC's retail electricity price trends report 2023_SEC_OFFICIAL__ACCC- ACCCANDAER_FIC3362957_(1).msg	03.07.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted

11.	Notes of Policy meeting 26 April 2023 – Price Trends 2023 Scope.msg	01.05.2023	Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
12.	Presentation for Commission Policy Discussion 26 April_Price Trends 2023 – Finalise Project Scope .msg	20.04.2023	Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
13.	Price trends 2023 Commission Policy Discussion 26 April.pdf	20.04.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
14.	AEMO AEMC Price Trends_ESOO.msg	15.05.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
15.	For info_price trends update tomorrow referencing DMO + question re EISG.msg	19.07.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
16.	230720 Media release – Update on Residential Electricity Price Trends report (EMBARGOED).pdf	19.07.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
17.	RE_ For info_price trends update tomorrow referencing DMO + question re EISG_SEC_OFFICIAL_ (5) (1).msg	21.07.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs

			Partial access granted
18.	FW_ Notes of Policy meeting 26 April 2023 – Price Trends Scope .msg	01.05.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted
19.	RE AEMC’s retail electricity price trends report 2023 SECOFFICIAL.msg	03.07.2023	Full access refused Clause 6(1) of Schedule 1 – Unreasonable disclosure of information concerning personal affairs Partial access granted

From: Anna Collyer
Sent: Thursday, July 20, 2023 8:34 AM
To: Personal Affairs COMMISSIONERS
CC: Personal Affairs Victoria Mollard; Personal Affairs
 Personal
Subject: RE: Price Trends 2023 project update and jurisdictional feedback

Great thanks Persona We agree no need to meet to discuss at this stage and we look forward to seeing the team in late August.

Anna

Anna Collyer (She/Her)
 Chair
Australian Energy Market Commission
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Anna.collyer@aemc.gov.au | www.aemc.gov.au

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From: Personal Affairs @aemc.gov.au>
Sent: Monday, July 17, 2023 3:04 PM
To: COMMISSIONERS <commissioners@aemc.gov.au>
Cc: Personal Affairs @aemc.gov.au>; Victoria Mollard <Victoria.Mollard@aemc.gov.au>; Personal Affairs @aemc.gov.au>; Perso
 Personal Affairs @aemc.gov.au>; Personal Affairs @aemc.gov.au>; Personal
 Personal @aemc.gov.au>
Subject: Price Trends 2023 project update and jurisdictional feedback

Dear Commissioners

On 30 June 2023, the price trends project team hosted a workshop to inform jurisdictions about the way forward for price trends and gather feedback. In this workshop, we received feedback on the purpose, methodology, outputs and timeline for price trends going forward. We originally were going to hold a Commission meeting with you on 9 August to discuss this feedback with you. However, given the relatively limited feedback we received, we have cancelled this meeting and instead seek to update you via email. Please let us know any questions you may have on this.

Our next step is to have a Commission meeting on 23 August to discuss:

- Any additional jurisdictional feedback
- Project plan
- Methodology update for wholesale and network models
- Key Scenarios to be tested
- An update on actual retail offers for FY23

Summary of jurisdictional feedback:

Jurisdictions generally supported the shift towards a longer-term outlook for price trends in 2023. They further supported:

- A shift of purpose towards policymakers and a larger focus on scenarios
- 10-year time horizon
- No end-user bill being published – note that the Commonwealth Treasury and the NSW government stated that an end user bill would be helpful to them, however, if we could provide them with cost drivers this would also allow them to get the information they required
- The wholesale PLEXOS environment and a further deep dive into network costs – note that the VIC and NSW governments expressed an interest in trading notes on the modelling approach with their internal modelling teams

Jurisdictions were also happy for us to work with them this year to develop the scenarios to ensure price trends is valuable going forward when the report is first published in 2024. We will continue to work with jurisdictions throughout the process. We will schedule our next meeting with Jurisdictions in late August, where we will discuss the finalised scenarios and methodology.

Thank you very much and let me know if you have any questions.

Kind regards

Personal Affairs

Economist

Australian Energy Market Commission

Personal Affairs T +61 2 8296 7800

Personal [@aecm.gov.au](mailto:personal@aecm.gov.au) | www.aemc.gov.au

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From: Anna Collyer
Sent: Wednesday, May 10, 2023 5:29 PM
To: Personal Affairs Personal Affairs COMMISSIONERS
CC: Victoria Mollard; Personal Affairs
 Personal
Subject: RE: Notes of Policy meeting 26 April 2023 - Price Trends 2023 Scope

Thanks Perso and sorry for the delayed response.

We've discussed this further between ourselves and with Benn and agree that the approach set out in your email below is the sensible way forward.

Look forward to seeing next steps.

Anna

Anna Collyer (She/Her)
 Chair
Australian Energy Market Commission
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Anna.collyer@aemc.com.au | www.aemc.gov.au

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Assistant: Personal | T Personal Affairs | Personal @aemc.gov.au

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From: Personal Affairs @aemc.gov.au>
Sent: Monday, 1 May 2023 2:01 PM
To: Personal Affairs @aemc.gov.au>; COMMISSIONERS
 <commissioners@aemc.gov.au>
Cc: Victoria Mollard <Victoria.Mollard@aemc.gov.au>; Personal Affairs @aemc.gov.au>;
 Personal Affairs @aemc.gov.au>; Personal Affairs @aemc.gov.au>; Perso
 Personal Affairs @aemc.gov.au>; Personal Affairs @aemc.gov.au>
Subject: Notes of Policy meeting 26 April 2023 - Price Trends 2023 Scope

Notes of Policy meeting 26 April 2023 - Price Trends 2023 Scope

The Commission:

- Agreed that we should focus on providing a 10 year price forecast across multiple scenarios (option 3 in the presentation) – noting this is a tool we are ultimately going to need for our rule changes

- Agreed in the first year (2023) the focus will be on building up the capability and engaging with jurisdictions
- Agreed we would not publish a report at all in 2023, but the output from 2023 will provide a starting point as we build our capability
- Agreed that we would provide the work from 2023 to jurisdictions for their use internally, and potentially provide them with the price outputs
- Noted that the calculation of actual market offers, as raised by the team, is something to be left to the AER, our focus is on the price outlook, not actuals and AER data.

Next Steps:

Team to draft letter to go from CE to Jurisdictions outlining approach to price trends in 2023 and organising a meeting to seek feedback. This letter will set out:

- The approach as outlined in option 3 – multiple policy levers, ten year timeframe. End user prices are the final output. This is a useful approach as it will help us develop a tool that we are ultimately going to need for our rule changes
- We will not be publishing the report in 2023 due to concern about risks associated with publishing prices as well as wanting to develop our capability in this space
- However, we want to engage with jurisdictions in our development and share the results with jurisdictions in 2023
- 2023 price trends work is about building up our capability – we may return to publishing results as our modelling becomes more robust in later years (including potentially prices in 2024 onwards)
- We are seeking jurisdiction feedback on this approach.
- Following jurisdictional feedback we will publish a short note on our website updating stakeholders to this plan

Team to complete budget and submit for approval, to enable modelling consultancy work to be engaged (with timing also driven by need to engage same consultants on Form of the Standard shortly).

Post sending of CE letter, EGM + team to organise discussion with jurisdictions to obtain feedback.

Regards,

Person

Personal Affairs

Economics Director

Australian Energy Market Commission

Personal Affairs | T +61 2 8296 7800

Personal Affairs | [@aemc.gov.au](mailto:PersonalAffairs@aemc.gov.au) | www.aemc.gov.au

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Subject: Informal discussion: approach / purpose of the upcoming price trends

Location: <https://aemc-gov-au.zoom.us/j/95479036198?pwd=aFE3c3lOMlk5REk2RkxvZHBsQ2ppUT09&from=addon;Kosciuszko>

Start: 1/17/2023 3:00 AM

End: 1/17/2023 4:00 AM

Show Time As: Tentative

Recurrence: (none)

Meeting Status: Received

Organizer: Michelle Shepherd

Required Attendees: Personal Affairs Victoria Mollard; Sally McMahon; Tim Jordan

Optional Attendees: Personal Affairs

Resources: <https://aemc-gov-au.zoom.us/j/95479036198?pwd=aFE3c3lOMlk5REk2RkxvZHBsQ2ppUT09&from=addon;Kosciuszko>

Attachments: DRAFT Price trends 2023 proposal for Commission 2022_12_22.pptx



[Join Zoom Meeting](#)

Password 327068

:

Phone Australia: [+61280156011,95479036198#](tel:+61280156011,95479036198) or [+61370182005,95479036198#](tel:+61370182005,95479036198)

one-tap:

Meeting <https://aemc-gov->

URL: [au.zoom.us/j/95479036198?pwd=aFE3c3lOMlk5REk2RkxvZHBsQ2ppUT09&from=addon](https://aemc-gov-au.zoom.us/j/95479036198?pwd=aFE3c3lOMlk5REk2RkxvZHBsQ2ppUT09&from=addon)

Join by Telephone

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Dial:

Australia: +61 2 8015 6011 or +61 3 7018 2005

Meeting 954 7903 6198

ID:

Password 327068

:

International numbers

SIP: 95479036198@zoomcrc.com

Password 327068

:

Background and context

Context

- The AEMC has completed price trends every year since receiving the terms of reference in 2012, with the first published on 19 December 2012. The review historically has focused on one year of actuals and three forward years.
- The review has traditionally been a positive communications exercise for the AEMC, being picked up heavily in national and state media.
- The most recent price trends report, Price trends 2021 was published on 25th November 2021.
- During the prioritisation process run through COVID, we wrote to jurisdictions and said we would stop doing all of our standing references unless they told us not to. We did not hear back from all jurisdictions and there were mixed messages on the desire from jurisdictions for price trends.
- Historically there has also been some confusion between the AER's Default Market Offer (DMO) publication and price trends where differences in timing/process may yield contradictory results. The DMO is normally published in April/May ahead of the coming financial year and differs in methodology in that it sets a cap on the standing offer for a single year, whereas price trends focuses on the lowest market offer for three forward years. The DMO uses 9 months of contract-market actuals for the coming year, whereas price trends traditionally has access to 3 months. In 2021 the team worked to manage these differences by working more closely with the AER.
- Under the prioritisation process price trends was put on hold in 2022, to develop a new price trends approach that adds more value to policy makers, and does not conflict with the AER's DMO. High market volatility and resourcing constraints also played a part in this decision.

Trigger

- We have now thought through what a new approach may be and wish to seek input into this proposed approach and agreement to move forward with this and share our approach with jurisdictions
- It is worth noting that following recent market volatility and increases in retail market offers, jurisdictions and the Commonwealth have contacted the AEMC asking when Price Trends is being published for the 2022 report.
- It is important to agree a way forward on price trends and let jurisdictions know the revised approach and timeline for the project in 2023.
- At the discussion on 19 October with Commission we were asked to consider in more detail the purpose and audience and the key outputs from the work. This is addressed in this pack.
- **We are seeking informal input ahead of the Commission meeting scheduled for 8th February 2023, on the approach to price trends in 2023.**

Inputs required from Commission

Input 1 What's changing

Longer term outlook: Price trends is moving from a near-term focus of two to three years to a longer-term ten-year focus. Instead of reporting FY 22/23-25/26, we would report FY22/23 to FY 31/32, a ten-year outlook.

Scenario approach: Price trends would provide output on four scenarios instead of one expected case. (See slide 6) These scenarios would be driven by the degree of VRE growth, and the degree of CER growth. The output from this would provide a comparison of bill impacts (across all bill components) that would indicate in which world the consumer is better off. These scenarios could also consider a sensitivity for commodity costs.

Network cost modelling: Historically, price trends have obtained network costs from revenue determinations of each distribution network's annual pricing proposal. Moving forward, we would like more detailed modelling of likely future asset replacement and network augmentation costs, as well as any new transmission builds under the ISP.

Contract book build simplification: With the focus on the four scenarios, the contract book build assumptions would be simplified. Wholesale costs in the forward year would be driven more by recent actuals, and longer-term Plexos output would be used with long-term contract price premium assumptions.

Focus on customer investment decisions: Price trends would also assess the CER investment decisions for consumers through the timeframe. That is what investment decisions in different CER technologies look like under the different scenarios, how they change over time, and whether they stack up in terms of the overall uptake assumption underlying the scenario. This would clarify what policy steps can be taken to move us into a world in which consumers are better off.

Outputs: Outputs would look similar to price trends in 2021. They would, however, be longer term and with scenarios. Cost outcomes would be shown for key components by region.

We are seeking informal input on the revised approach proposed for Price Trends 2023?

Input 2 Why

Policy focus: A longer-term outlook and scenarios will help us to examine the potential policy levers that governments can pull to lower longer-term energy costs to consumers.

Better consumer outcomes: Forecasting which of the future scenarios consumers are best off in, and then outlining how we might get there via policy and investment decisions.

Focus on consumer investment decisions: The ISP and other technical plans tend to assume that many consumers will continue to invest in CER technologies. We will examine the feedback loop between market prices and investment decisions to see whether future prices support these investment decisions. This is an under-examined market section and is likely to yield many potential policy prescriptions to help households lower bills.

This focus on CER could change in subsequent years to other investment decisions.

The audience is government and consumer groups: Policymakers can then assess the key policy levers needed for governments and consumers to support desired market outcomes concerning CER rollout, utility-scale build-out, and network investment.

The audience would be governments primarily, but also consumers and consumer groups.

We are seeking informal input on the purpose proposed for Price Trends 2023?

Limited set of key scenarios highlight key policy levers to lower consumer costs



How the scenarios tie in with the purpose of the report

Purpose: In which scenario do consumers have the lowest bill longer term.

By then looking at the incentives for solar/battery and energy efficiency measures this then highlights the policy measures in relation to:

- Solar incentives
- Battery incentives,
- Energy efficiency measures

and we can also look at:

- Which scenario for transmission and renewables build is best for consumers

Sensitivity: High Commodity prices longer term. Probably applied to the main base case (step change transition). To see whether the policy levers and decisions might change under a higher commodity price world, and to see the impact on consumer bills of incremental changes in commodity price levels.

From: [Personal Affairs]
Sent: Monday, July 3, 2023 1:13 PM
To: [Personal Affairs]
Subject: FW: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL]

OFFICIAL

Hi [Personal Affairs]

Also, just letting you know there still seems to be some AEMC [online content](#) anticipating publication of this year's Price trends report, in case you want to have it amended/removed.

Kind regards,

[Personal Affairs]

From: [Personal Affairs]
Sent: Monday, 3 July 2023 12:37 PM
To: [Personal Affairs] <[redacted]@aemc.gov.au>
Cc: [Personal Affairs] <[redacted]@aer.gov.au>; [Personal Affairs] <[redacted]@aemc.gov.au>
Subject: RE: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL] [ACCC-ACCCANDAER.FID3362957]

OFFICIAL

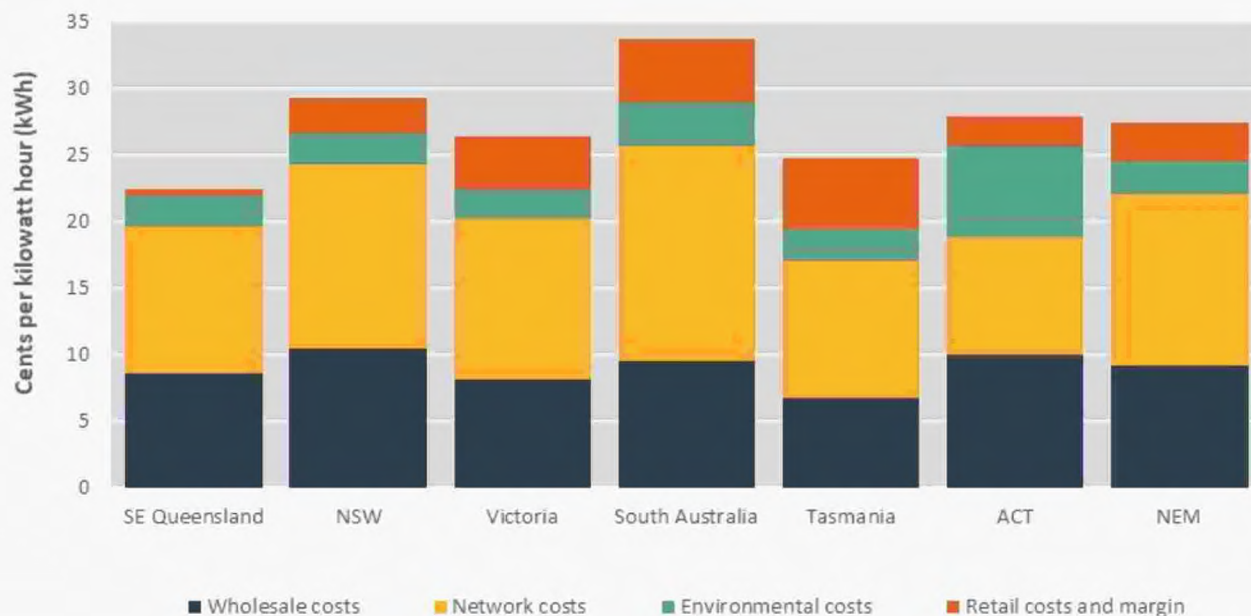
Hi [Personal Affairs]

Thanks for the chat last week about the status of your Price trends report. As foreshadowed, please note the chart and a couple of dot points from our 2022 State of the energy market report that referenced your Price trends report, in case there's any relevant, updated data or commentary you can provide.

Kind regards,

[Personal Affairs]

Figure 6.2 Composition of a residential bill – electricity



Note: Cost components for the average residential customer in 2021–22, excluding GST. Calculated using trends in supply chain components for each jurisdiction and national trends.

Source: AEMC, *Residential electricity price trends 2021*, 25 November 2021 (using data from Energy Made Easy and Victorian Energy Compare on 17 September 2021).

- Environmental costs were lowest in Victoria, where the primary cost component was the jurisdictional Small-scale Renewable Energy Scheme (SRES).^[1]
- The AEMC estimates that retailer costs and margin made up almost 22% of a customer bill in Tasmania in 2021–22, compared with around 2% in south-east Queensland.^[2] Some of the differences between jurisdictions is due to the different methodologies used to set prices by the different regulators

From: Personal Affairs <[REDACTED]@aemc.gov.au>

Sent: Thursday, 29 June 2023 3:37 PM

To: Personal Affairs <[REDACTED]@aer.gov.au>; Personal Affairs <[REDACTED]@aemc.gov.au>; Personal Affairs <[REDACTED]@aemc.gov.au>

Personal Affairs <[REDACTED]@aemc.gov.au>

Cc: Personal Affairs <[REDACTED]@aer.gov.au>

Subject: RE: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL]

CAUTION: This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Hi Personal Affairs <[REDACTED]>

Great to hear from you again! We are doing Retail Price Trends as an internal project this year and the results won't be published. I've copied [Personal Affairs] on this email so that he can respond directly to you on how we intend to share the results.

On gas matters, I think [Personal Affairs] is the best person to contact. I've also copied him here. Please note that [Personal Affairs] is currently on leave and will return to the office next Monday.

Cheers

[Personal Affairs]

From: [Personal Affairs] <[redacted]@aer.gov.au>
Sent: Thursday, June 29, 2023 1:46 PM
To: [Personal Affairs] <[redacted]@aemc.gov.au>
Cc: [Personal Affairs] <[redacted]@aer.gov.au>
Subject: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL]

OFFICIAL

Hi [Personal Affairs]

I hope you're well and that you don't mind me reaching out on something that's not your area. I'm trying to track down the likely publication date of the AEMC's Retail Electricity Price Trends 2023 report. We draw on some of the data for our State of the Energy Market Report, and we are getting close to the deadline for finalising the reports. Are you able to connect me with someone who knows the latest on the likely publication date?

I also wanted to flag that I am working a lot on gas matters and the AER's new reporting role coming out of the gas pipeline reforms. If you or any of your AEMC colleagues are working on gas matters, it would be great to have a yarn on shared topics of interest. I don't have any AEMC gas contacts yet and I'd welcome hearing more about AEMC's perspective.

Thanks very much

[Personal Affairs]

[Personal Affairs]

Director | Wholesale Gas Performance Reporting | Market Performance Branch

Please note [Personal Affairs] and I job-share this Director role. I work Mondays, Wednesdays and Fridays and [Personal Affairs] works Tuesdays, Wednesdays and Fridays.

Australian Energy Regulator

Level 11 | 1 King William Street

www.energymadeeasy.gov.au | www.aer.gov.au

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[1] AEMC, '[Residential electricity price trends 2021](#)', AEMC Website, 25 November 2021, accessed 1 February 2022.

[2] AEMC, '[Residential electricity price trends 2021](#)', AEMC Website, 25 November 2021, accessed 1 February 2022.

From: [Personal Affairs]
Sent: Thursday, February 2, 2023 2:33 PM
To: [Personal Affairs]
CC: [Personal Affairs] Victoria Mollard
Subject: Commission Slides for Price Trends policy discussion on 8 Feb
Attachments: Price trends 2023 Commission Policy Discussion 8 February .pdf

Dear [Personal Affairs]

Please find attached the Price trends 2023 commission slides for the policy discussion on 8 February.

Thank you very much

Kind regards

[Personal Affairs]

Economist

Australian Energy Market Commission

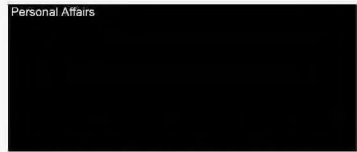
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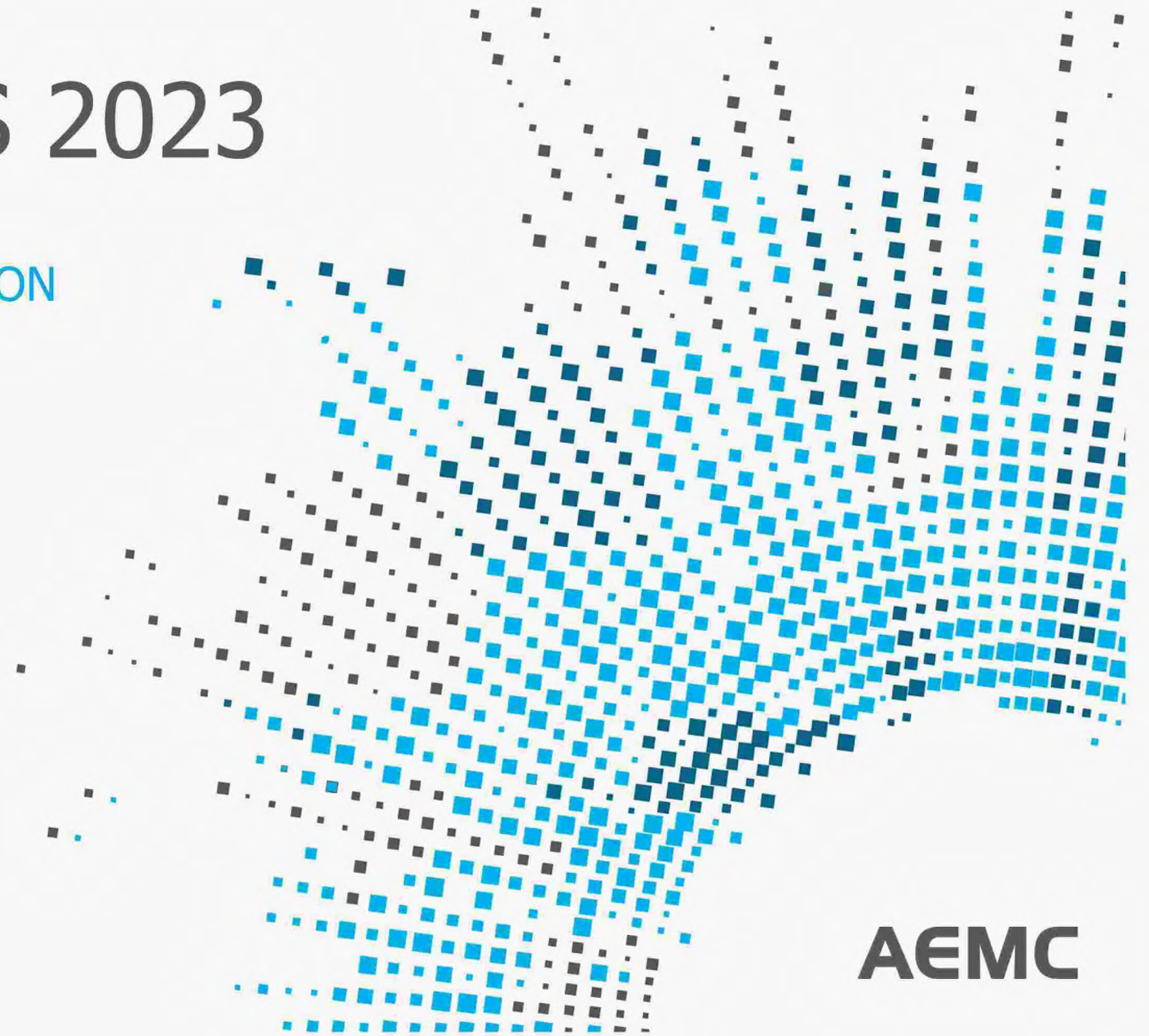
PRICE TRENDS 2023

COMMISSION POLICY DISCUSSION



Victoria Mollard

8 February 2023



AEMC

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Background and context

Context

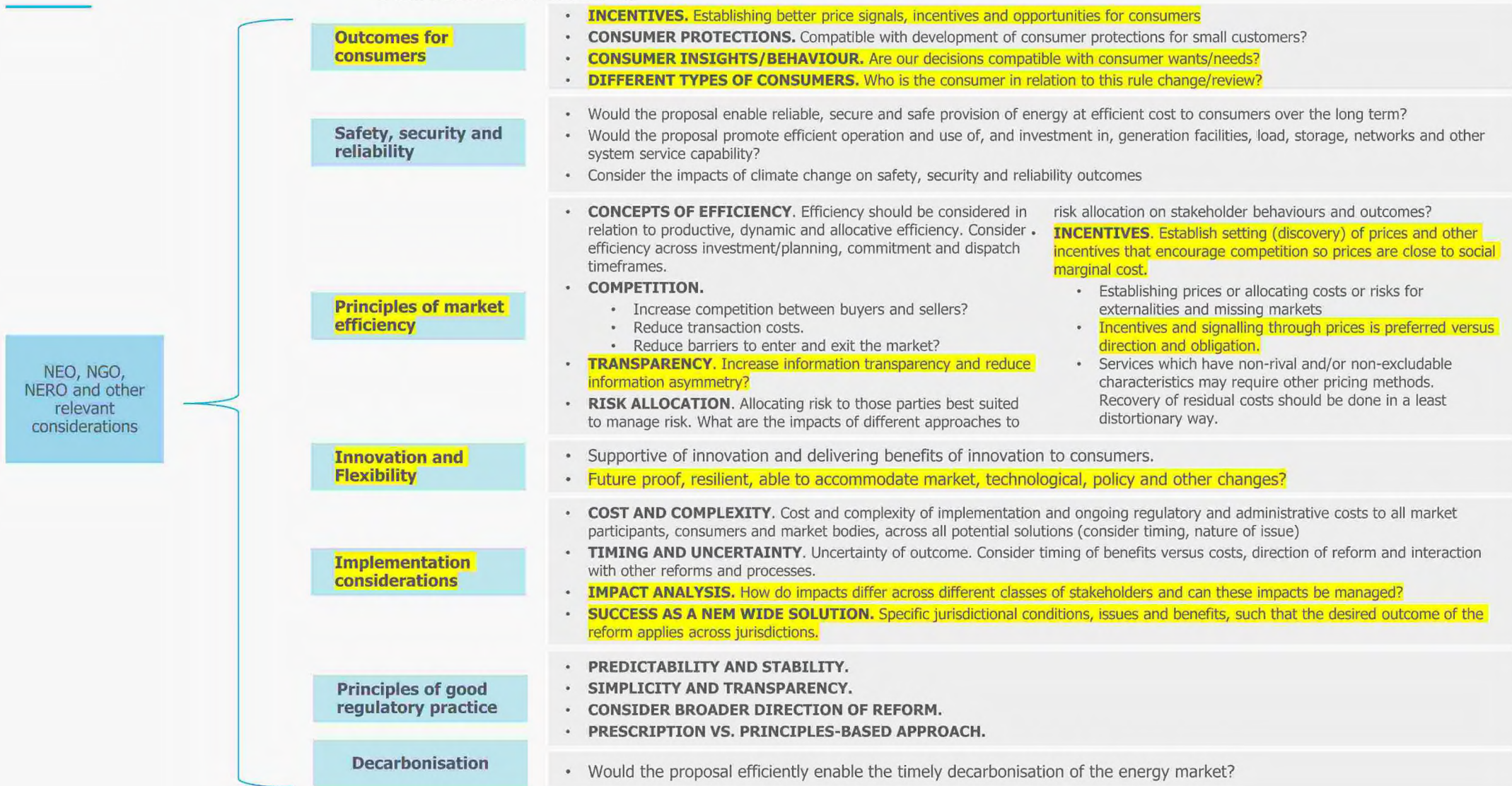
- The AEMC has completed Price Trends every year since receiving the terms of reference in 2012, with the first published on 19 December 2012. Historically, the review focused on one year of actuals and three forward years.
- The review has traditionally been a positive communications exercise for the AEMC, being picked up heavily in national and state media.
- The most recent Price Trends report was published on 25 November 2021.
- During the prioritisation process in 2020 we wrote to jurisdictions and said we would stop doing all of our standing references unless they told us not to. Discussions with senior officials regarding terms of reference are about to commence again.
- Historically, there has been some confusion between the AER's Default Market Offer (DMO) publication and Price Trends. The DMO is normally published in April/May ahead of the coming financial year and differs in methodology in that it sets a cap on the standing offer for a single year, whereas Price Trends focuses on the lowest market offer for three forward years. The DMO uses 9 months of contract market actuals for the coming year, whereas Price Trends traditionally has access to 3 months. In 2021 the team worked to manage these differences by working more closely with the AER.
- Under the prioritisation process, Price Trends was put on hold in 2022, to develop a new Price Trends approach that adds more value to policymakers, and does not conflict with the AER's DMO. High market volatility and resourcing constraints also played a part in this decision.

Trigger

- We have now thought through what a new approach may be and wish to seek input into this proposed approach and agreement to move forward with this and share our approach with jurisdictions.
- It is essential to agree on a way forward on Price Trends and let jurisdictions know the revised approach and timeline for the project in 2023.
- We have previously discussed a high-level approach with Commission, but following further consideration and feedback we have refined this approach as set out in this pack.
- **We are seeking input and approval on the approach to Price Trends in 2023.**

Context and background – assessment framework

Assessment criteria



Inputs required from Commission – 1 of 2

Input 1

The purpose of Price Trends

- Price Trends 2023 will have a redefined purpose and audience to make the report more aligned with the strategic direction internally and what stakeholders want externally, it will:
 - Focus on better consumer outcomes decisions
 - Build internal capability.
 - Have an audience of governments and consumer groups.
- **Does the Commission agree with the refined purpose?**
- See more on **slide 7**

Input 2

Previously agreed changes

- Previously, we have discussed changes to price trends with the Commission. The Commission has supported the changes. These changes include:
 - A shift to a longer-term outlook over 10 years
 - Simplification of the wholesale modelling methodology
 - A focus on the consumer investment decision.
- **Does have any further feedback on these changes, given our more recent discussions and further suggested changes?**
- See more on **slide 8**

Input 3

More recent changes

- Our further consideration has resulted in us suggesting additional changes to the methodology of Price Trends. These changes include:
 - A shift from multiple to one key scenario in the modelling
 - Testing alternative bidding strategies for the wholesale modelling
 - A change to the network cost modelling approach to build an internal ten-year view using AER PTRM models and projections of inflation
 - The output of Price Trends 2023.
- **Does the Commission agree with these proposed changes?**
- See more on **slides 9-11**

Inputs required from Commission – 2 of 2

Input 4

Sharing updated retail offers with Jurisdictions

- In previous years, jurisdictions have noted the importance of knowing the lowest retail offers in each jurisdiction.
- In May, we can provide jurisdictions with an updated scrape from EME and VEC of the current lowest market offers compared to the previous two years.
- The data can also be published on the project page for consumer awareness.
- **Would the Commission like to share/publish publicly available retail offer prices ahead of the Price Trends 2023 report?**
- See more on **slide 12**

Input 5

Next steps and timeframe

- We propose the next steps for the project to help formally commence in April. They include:
 - Communicating with jurisdictions about Price Trends 2023 commencing
 - Agree on the scope for consultants and resourcing.
- We also have drafted the timeline showing the key dates for Price Trends 2023.
- **Does the Commission agree with the next steps and proposed timeline?**
- See more on **slides 13-14**

Input 1 – The purpose of Price Trends 2023

SO WHAT?

The purpose of the 2023 Price Trends report has shifted from the previous versions. The team is looking to confirm this purpose with the Commission to correspond with jurisdictions.

The policy focus is now on better consumer outcomes.

- A longer-term outlook with the new scenario will help us to examine the potential policy levers that governments can pull to lower longer-term energy costs to consumers.
- Outlining a scenario where consumers are better off by changing sensitivities will help inform better policy than the previous Price Trends report that focused only on the numbers.
- In future years, the focus can shift from consumer investment to other sectors/decisions.

The focus is on the consumer investment decisions.

- The ISP and other technical plans tend to assume that many consumers will continue to invest in CER technologies. We will examine the feedback loop between market prices and investment decisions to see whether future prices support these investment decisions. This is an under-examined market section and is likely to yield many potential policy prescriptions to help households lower bills.
- This focus on CER could change in subsequent years to other investment decisions.

The primary audience is governments and consumer groups.

- Policymakers can then assess the key policy levers needed for governments and consumers to support desired market outcomes concerning CER rollout, utility-scale build-out, and network investment.
- Electricity consumers may be interested in the lowest market offer for next year. To simplify messaging of the report, this information would potentially be published separately on the project page (see **slide 12**).
- **Does the Commission agree with the refined purpose and audience?**

Input 2 – Previously discussed changes

SO WHAT?

We have decided to change certain aspects of Price Trends in line with previous Commission feedback. In previous meetings, Commissioners have noted agreement with these changes. We are seeing, given our further considerations, whether there is any further feedback on these changes.

We have shifted to a longer term outlook to Price Trends 2023

- Price Trends is moving from a near-term focus of two to three years to a longer-term ten-year focus. Instead of reporting FY 22/23-25/26, we would report FY22/23 to FY 31/32, a ten-year outlook.
- This is to provide better policy advice and differentiate Price Trends from the DMO, since the DMO did not exist when Price Trends first began in 2012.

We have decided to simplify the wholesale modelling methodology

- The contract book build assumptions would be simplified. Wholesale costs in the forward year would be driven more by recent actuals, and longer-term contract premium and cap price benchmarks would be used. This would involve observed historical benchmarks.
- LRMC benchmarks can also be used to help inform appropriate contract premiums and cap prices.
- The new one-scenario approach, would reduce the modelling requirements and give Price Trends a more robust methodology.

The focus of Price Trends is now on the consumer investment decision

- Price Trends 2023 would assess the CER investment decisions for consumers: what investment decisions in different CER technologies look like under the different scenarios and how they change over time.
- This would clarify what policy steps can be taken to move us into a world where consumers are better off.
- Alternative sectors/decisions can be investigated in future Price Trends.
- **Does have any further feedback on these changes, given our more recent discussions and further suggested changes?**

Input 3 – More recent changes

SO WHAT?

We have refined and made changes to aspects of Price Trends based on commissioner feedback in previous discussions. These new approaches are supposed to simplify Price Trends whilst also provide a more focused and purposeful report.

We have updated our approach to scenarios.

- Since our last discussion, we have shifted to focus around a single central scenario based on the ISP step change scenario. The scenario is shown in more detail on slide 10.
- We would allow for a single sensitivity around commodity prices.
- This ensures we do not contradict already established scenarios and models.
- We can use this initial year to investigate and test different renewable energy bidding strategies and formulate an in-house view.

We are proposing a change to network cost assumptions.

- Previously, Price Trends has obtained network costs from annual pricing proposals. However, there is potential for larger distribution network cost increases over the next 10 years, as confirmed with the Networks Team.
- We propose building a network model in-house based on the existing PTRM models published on the AER website and using inflation assumptions to extrapolate out using the existing tariff model methodology.
- There is a possibility in future years to engage a consultant to provide a detailed network model capturing Capex and Opex inputs not considered in existing revenue determinations.

The output of Price Trends 2023.

- Outputs would look similar to Price Trends in 2021. They would, however, be longer term and with the consumer investment decision.
- **Does the Commission agree with what we are proposing to change?**

Input 3 - Current approach to scenarios for Price Trends 2023

Focus to shift to one key scenario in line with AEMO. This scenario to then be tested against different sensitivities to help inform policy.

Step Change Transition (ISP Step Change)
HIGH CER
HIGH TRANSMISSION
HIGH UTILITY SCALE RENEWABLES

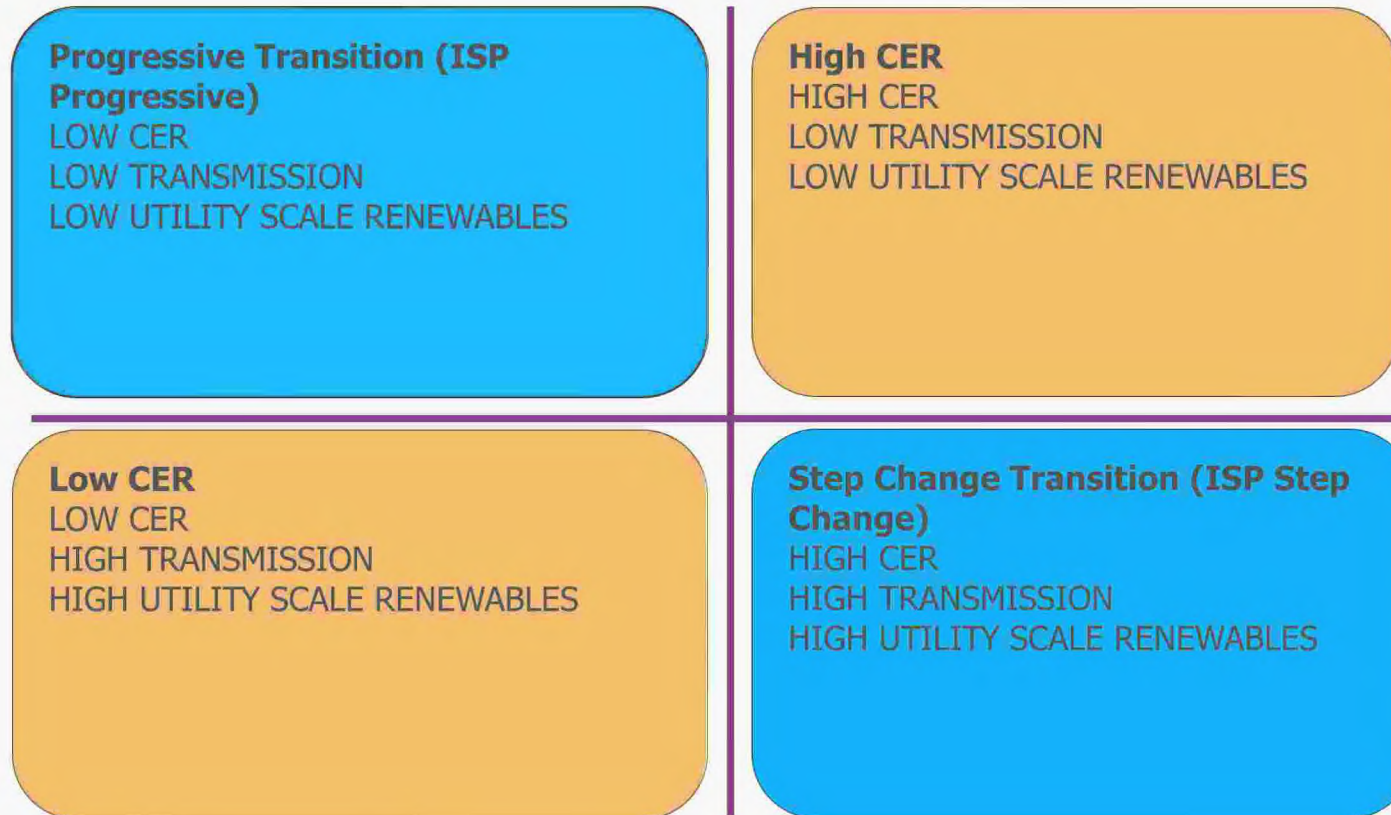
Sensitivity: High Commodity prices longer term. To see whether the policy levers and decisions might change under a higher commodity price world, and to see the impact on consumer bills of incremental changes in commodity price levels. We would also keep further scope for other factors that are beyond the control of governments and AEMO.

How the focus on one scenario fits into the purpose of the report:

By looking at the incentives for solar/battery, this then highlights the policy measures in relation to:

- Solar incentives
- Battery incentives
- Different customer types

Input 3 - Previous approach to Price Trends with set of scenarios



Sensitivity: High Commodity prices longer term. Probably applied to the main base case (step change transition). To see whether the policy levers and decisions might change under a higher commodity price world, and to see the impact on consumer bills of incremental changes in commodity price levels.

Input 4 – Sharing updated retail offers with Jurisdictions

SO WHAT?

We propose providing jurisdictions with updated retail offers in May as we commence the project. This data can also be published on the AEMC website.

We can provide updated retail price data to jurisdictions and on the project page.

- Jurisdictions have noted to the team in previous years the usefulness of Energy Made Easy (EME) and Victorian Energy Compare (VEC) data for the lowest retail offers in each respective state.
- In May, we can provide jurisdictions with an updated scrape from EME and VEC of the current lowest market offers compared to the previous two years.

The data can also be published on the project page for consumer awareness.

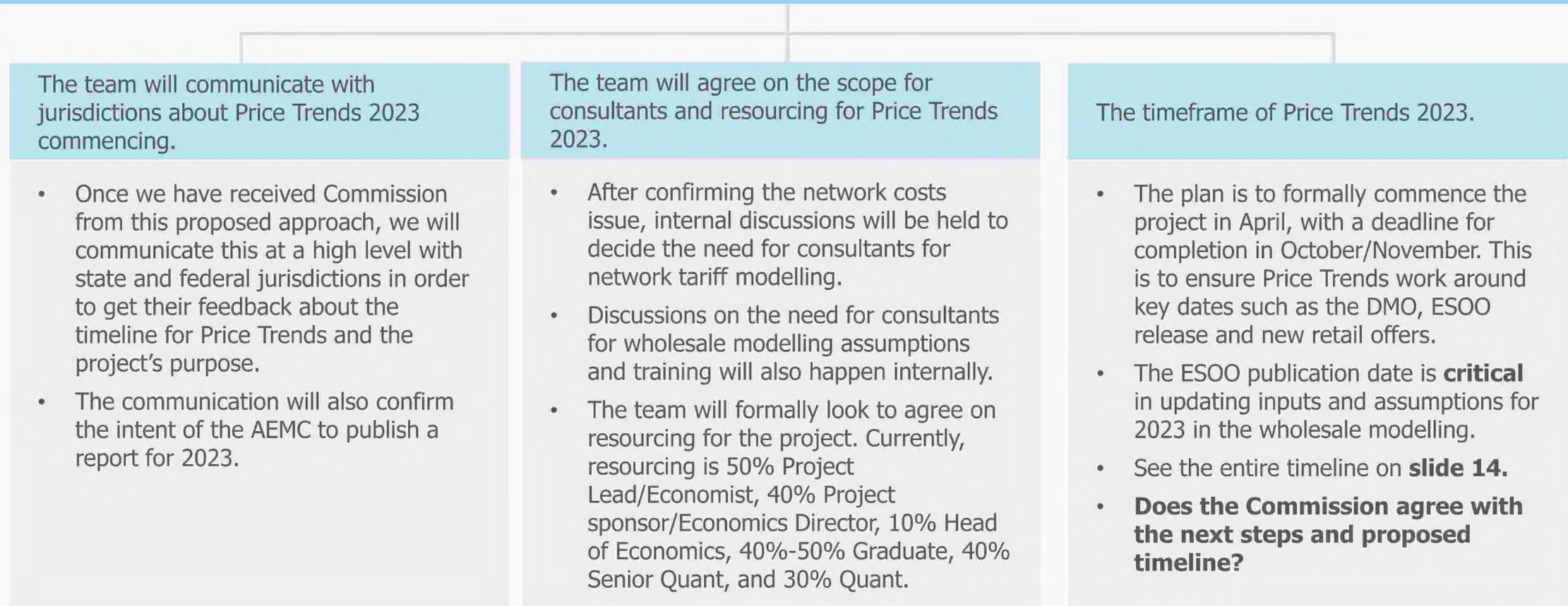
- This data is very useful for consumers in understanding what is out there on the market.
- This will also give consumers and the public a general indication of how prices have trended in the last 2 years.

We would publish this data separate to the final Price Trends report.

- To refine the purpose of the final report, we propose having this data published ahead of the final report.
- The methodology for the final report will remain the same in using the lowest market offers, and the offers will be updated in September/October.
- **Would the Commission like to share/publish publicly available retail offer prices ahead of the Price Trends 2023 report?**

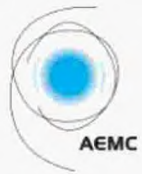
Input 5 – Next steps and timeline

SO WHAT? We propose moving forward with next steps. The team is looking to confirm with Commission the next steps and the timeline.



Input 5 - Timeline

Milestone	Date
First commission discussion on Price Trends	19 October 2022
Informal discussion on Price Trends with Commission	17 January 2023
Agreement on scope and purpose Commission discussion	8 February 2023
Inform Jurisdictions about updated Price Trends approach and timing	February/March 2023
Commence Price Trends 2023	April 2023
DMO final determination by AER published	May 2023
New retail offers published (EME/VEC)	July 2023
ESOO 2023 published (key Plexos input)	August/September 2023
Price Trends expected publication	October/November 2023



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Sydney South SW 1235

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From: [Redacted]
Sent: Monday, July 17, 2023 3:04 PM
To: COMMISSIONERS
CC: [Redacted] Victoria Mollard; [Redacted]
[Redacted]
Subject: Price Trends 2023 project update and jurisdictional feedback

Dear Commissioners

On 30 June 2023, the price trends project team hosted a workshop to inform jurisdictions about the way forward for price trends and gather feedback. In this workshop, we received feedback on the purpose, methodology, outputs and timeline for price trends going forward. We originally were going to hold a Commission meeting with you on 9 August to discuss this feedback with you. However, given the relatively limited feedback we received, we have cancelled this meeting and instead seek to update you via email. Please let us know any questions you may have on this.

Our next step is to have a Commission meeting on 23 August to discuss:

- Any additional jurisdictional feedback
- Project plan
- Methodology update for wholesale and network models
- Key Scenarios to be tested
- An update on actual retail offers for FY23

Summary of jurisdictional feedback:

Jurisdictions generally supported the shift towards a longer-term outlook for price trends in 2023. They further supported:

- A shift of purpose towards policymakers and a larger focus on scenarios
- 10-year time horizon
- No end-user bill being published – note that the Commonwealth Treasury and the NSW government stated that an end user bill would be helpful to them, however, if we could provide them with cost drivers this would also allow them to get the information they required
- The wholesale PLEXOS environment and a further deep dive into network costs – note that the VIC and NSW governments expressed an interest in trading notes on the modelling approach with their internal modelling teams

Jurisdictions were also happy for us to work with them this year to develop the scenarios to ensure price trends is valuable going forward when the report is first published in 2024. We will continue to work with jurisdictions throughout the process. We will schedule our next meeting with Jurisdictions in late August, where we will discuss the finalised scenarios and methodology.

Thank you very much and let me know if you have any questions.

Kind regards

Personal Affairs

Economist

Australian Energy Market Commission

Personal Affairs

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Personal Affairs

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From: [Personal Affairs]
Sent: Friday, June 30, 2023 3:11 PM
To: [Personal Affairs]
CC: [Personal Affairs]; [Personal Affairs] Victoria Mollard; [Personal Affairs]
Subject: RE: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL]

OFFICIAL

Thank you [Personal Affairs]

Much appreciated.

Kind regards,

[Personal Affairs]

From: [Personal Affairs]@aemc.gov.au
Sent: Friday, 30 June 2023 1:54 PM
To: [Personal Affairs]@aer.gov.au
Cc: [Personal Affairs]@aer.gov.au; [Personal Affairs] Victoria Mollard
 <Victoria.Mollard@aemc.gov.au>; [Personal Affairs]@aemc.gov.au; [Personal Affairs]
 [Personal Affairs]@aemc.gov.au
Subject: RE: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL] [ACCC-ACCANDAER.FID3362957]

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Hi [Personal Affairs]

Thanks for the call! Just closing the loop on this.

Feel free to reach out with any questions and happy to look over any material.

Kind regards

[Personal Affairs]

Economist
Australian Energy Market Commission
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 [Personal Affairs]@aemc.gov.au | www.aemc.gov.au

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From: [Personal Affairs]@aer.gov.au
Sent: Friday, June 30, 2023 1:29 PM

To: [Personal Affairs] [redacted]@aemc.gov.au>
Cc: [Personal Affairs] [redacted]@aer.gov.au>; [Personal Affairs] [redacted]@aemc.gov.au>
Subject: RE: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL] [ACCC-ACCANDAER.FID3362957]

OFFICIAL

Good afternoon [Personal Affairs] [redacted]

Hope you are well. Are you able to advise a likely publication timeframe for AEMC's 2022 Residential electricity price trends report?

Our State of the energy market report relies on your data, in particular Figure 2.14 (from the 2021 Residential electricity price trends report) about cost components. Our 2023 report is due for first review shortly so any advice on when that data might be available would be great.

Kind regards,

[Personal Affairs] [redacted]

Assistant Director | Market Performance

Australian Energy Regulator

[Personal Affairs] [redacted]

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LGBTQIA+ Ally - Supporting diversity of sexuality and gender identity at ACCC and AER

From: [Personal Affairs] [redacted]@aer.gov.au>
Sent: Thursday, 29 June 2023 3:53 PM
To: [Personal Affairs] [redacted]@aemc.gov.au>; [Personal Affairs] [redacted]@aemc.gov.au>; [Personal Affairs] [redacted]@aemc.gov.au>
Cc: [Personal Affairs] [redacted]@aer.gov.au>
Subject: RE: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL] [ACCC-ACCANDAER.FID3362957]

OFFICIAL

Thanks very much [Personal Affairs] [redacted] that is really helpful. [Personal Affairs] [redacted] is leading the retail chapter this year so I think she will reach out to [Personal Affairs] [redacted] to see if there are certain data items you are comfortable sharing with us or if there are certain ones that it would be appropriate for us to use the 2021 report for, for another year.

Thanks very much for such a quick response, I hope we get to catch up again soon.

Personal Affairs

From: Personal Affairs <[REDACTED]@aemc.gov.au>
Sent: Thursday, 29 June 2023 3:37 PM
To: Personal Affairs <[REDACTED]@aer.gov.au>; Personal Affairs <[REDACTED]@aemc.gov.au>; Personal Affairs <[REDACTED]@aemc.gov.au>
Cc: Personal Affairs <[REDACTED]@aer.gov.au>
Subject: RE: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL]

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Hi Personal Affairs

Great to hear from you again! We are doing Retail Price Trends as an internal project this year and the results won't be published. I've copied Personal Affairs on this email so that he can respond directly to you on how we intend to share the results.

On gas matters, I think Personal Affairs is the best person to contact. I've also copied him here. Please note that Personal Affairs is currently on leave and will return to the office next Monday.

Cheers

Personal

From: Personal Affairs <[REDACTED]@aer.gov.au>
Sent: Thursday, June 29, 2023 1:46 PM
To: Personal Affairs <[REDACTED]@aemc.gov.au>
Cc: Personal Affairs <[REDACTED]@aer.gov.au>
Subject: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL]

OFFICIAL

Hi Personal

I hope you're well and that you don't mind me reaching out on something that's not your area. I'm trying to track down the likely publication date of the AEMC's Retail Electricity Price Trends 2023 report. We draw on some of the data for our State of the Energy Market Report, and we are getting close to the deadline for finalising the reports. Are you able to connect me with someone who knows the latest on the likely publication date?

I also wanted to flag that I am working a lot on gas matters and the AER's new reporting role coming out of the gas pipeline reforms. If you or any of your AEMC colleagues are working on gas matters, it would be great to have a yarn on shared topics of interest. I don't have any AEMC gas contacts yet and I'd welcome hearing more about AEMC's perspective.

Thanks very much

Personal Affairs

Personal Affairs

Director | Wholesale Gas Performance Reporting | Market Performance Branch

Please note Personal Affairs and I job-share this Director role. I work Mondays, Wednesdays and Fridays and works Tuesdays, Wednesdays and Fridays. Personal Affairs

Australian Energy Regulator

Level 11 | 1 King William Street

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From: [Redacted]
Sent: Monday, July 3, 2023 1:07 PM
To: [Redacted]
CC: [Redacted]
Subject: RE: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL] [ACCC-ACCANDAER.FID3362957]

OFFICIAL

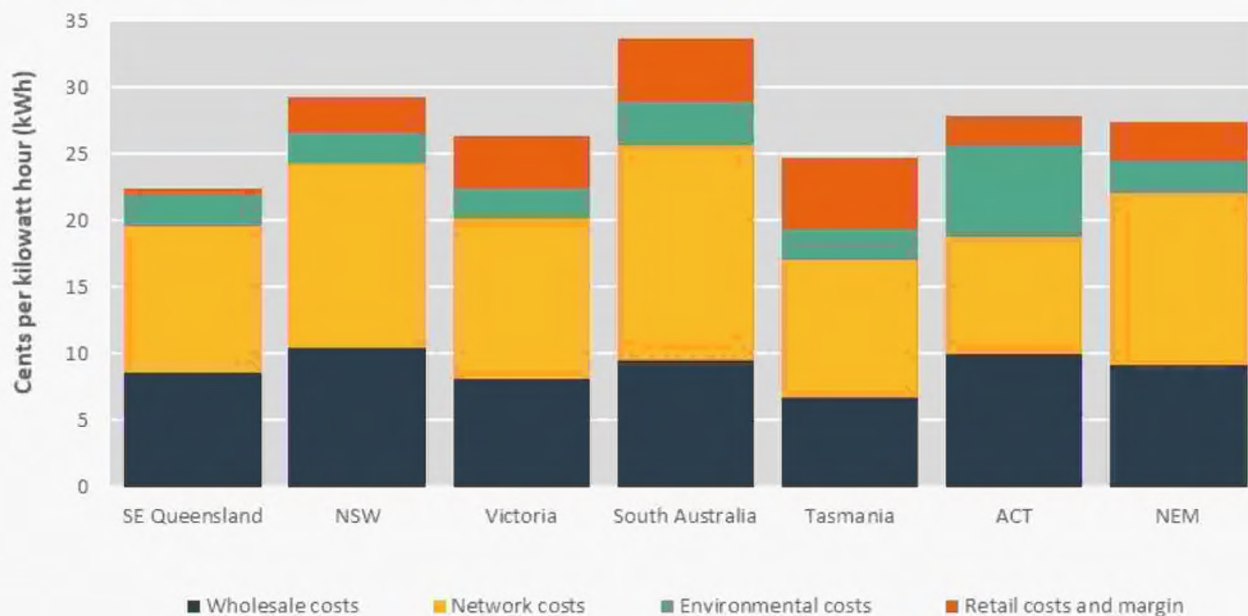
Hi [Redacted]

Thanks for the chat last week about the status of your Price trends report. As foreshadowed, please note the chart and a couple of dot points from our 2022 State of the energy market report that referenced your Price trends report, in case there's any relevant, updated data or commentary you can provide.

Kind regards,

[Redacted]

Figure 6.2 Composition of a residential bill – electricity



Note: Cost components for the average residential customer in 2021–22, excluding GST. Calculated using trends in supply chain components for each jurisdiction and national trends.

Source: AEMC, *Residential electricity price trends 2021*, 25 November 2021 (using data from Energy Made Easy and Victorian Energy Compare on 17 September 2021).

- Environmental costs were lowest in Victoria, where the primary cost component was the jurisdictional Small-scale Renewable Energy Scheme (SRES).^[1]

- The AEMC estimates that retailer costs and margin made up almost 22% of a customer bill in Tasmania in 2021–22, compared with around 2% in south-east Queensland.^[2] Some of the differences between jurisdictions is due to the different methodologies used to set prices by the different regulators

From: Personal Affairs [redacted]@aemc.gov.au>
Sent: Thursday, 29 June 2023 3:37 PM
To: Personal Affairs [redacted]@aer.gov.au>; Personal Affairs [redacted]@aemc.gov.au>; Personal Affairs [redacted]@aemc.gov.au>
Cc: Personal Affairs [redacted]@aer.gov.au>
Subject: RE: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL]

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Hi Personal Affairs [redacted]

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On gas matters, I think Personal Affairs [redacted] is the best person to contact. I've also copied him here. Please note that Personal Affairs [redacted] is currently on leave and will return to the office next Monday.

Cheers

Personal Affairs [redacted]

From: Personal Affairs [redacted]@aer.gov.au>
Sent: Thursday, June 29, 2023 1:46 PM
To: Personal Affairs [redacted]@aemc.gov.au>
Cc: Personal Affairs [redacted]@aer.gov.au>
Subject: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL]

OFFICIAL

Hi Personal Affairs [redacted]

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are getting close to the deadline for finalising the reports. Are you able to connect me with someone who knows the latest on the likely publication date?

I also wanted to flag that I am working a lot on gas matters and the AER's new reporting role coming out of the gas pipeline reforms. If you or any of your AEMC colleagues are working on gas matters, it would be great to have a yarn on shared topics of interest. I don't have any AEMC gas contacts yet and I'd welcome hearing more about AEMC's perspective.

Thanks very much

Personal Affairs

Personal Affairs

Director | Wholesale Gas Performance Reporting | Market Performance Branch

Please note Personal Affairs and I job-share this Director role. I work Mondays, Wednesdays and Fridays and Personal Affairs works Tuesdays, Wednesdays and Fridays.

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^[1] AEMC, '[Residential electricity price trends 2021](#)', AEMC Website, 25 November 2021, accessed 1 February 2022.

^[2] AEMC, '[Residential electricity price trends 2021](#)', AEMC Website, 25 November 2021, accessed 1 February 2022.

From: [Redacted] Personal Affairs
Sent: Monday, May 1, 2023 2:01 PM
To: [Redacted] Personal Affairs COMMISSIONERS
CC: Victoria Mollard; [Redacted] Personal Affairs
 [Redacted] Personal Affairs

Subject: Notes of Policy meeting 26 April 2023 - Price Trends 2023 Scope

Notes of Policy meeting 26 April 2023 - Price Trends 2023 Scope

The Commission:

- Agreed that we should focus on providing a 10 year price forecast across multiple scenarios (option 3 in the presentation) – noting this is a tool we are ultimately going to need for our rule changes
- Agreed in the first year (2023) the focus will be on building up the capability and engaging with jurisdictions
- Agreed we would not publish a report at all in in 2023, but the output from 2023 will provide a starting point as we build our capability
- Agreed that we would provide the work from 2023 to jurisdictions for their use internally, and potentially provide them with the price outputs
- Noted that the calculation of actual market offers, as raised by the team, is something to be left to the AER, our focus is on the price outlook, not actuals and AER data.

Next Steps:

Team to draft letter to go from CE to Jurisdictions outlining approach to price trends in 2023 and organising a meeting to seek feedback. This letter will set out:

- The approach as outlined in option 3 – multiple policy levers, ten year timeframe. End user prices are the final output. This is a useful approach as it will help us develop a tool that we are ultimately going to need for our rule changes
- We will not be publishing the report in 2023 due to concern about risks associated with publishing prices as well as wanting to develop our capability in this space
- However, we want to engage with jurisdictions in our development and share the results with jurisdictions in 2023
- 2023 price trends work is about building up our capability – we may return to publishing results as our modelling becomes more robust in later years (including potentially prices in 2024 onwards)
- We are seeking jurisdiction feedback on this approach.
- Following jurisdictional feedback we will publish a short note on our website updating stakeholders to this plan

Team to complete budget and submit for approval, to enable modelling consultancy work to be engaged (with timing also driven by need to engage same consultants on Form of the Standard shortly).

Post sending of CE letter, EGM + team to organise discussion with jurisdictions to obtain feedback.

Regards,

[Redacted] Personal Affairs

Personal Affairs

Economics Director

Australian Energy Market Commission

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Level 15, 60 Castlereagh St, Sydney NSW 2000.

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From: [Redacted] Personal Affairs
Sent: Thursday, April 20, 2023 8:30 AM
To: [Redacted] Personal Affairs
CC: Victoria Mollard; [Redacted] Personal Affairs
Subject: Presentation for Commission Policy Discussion 26 April: Price Trends 2023 - Finalise Project Scope
Attachments: Price trends 2023 Commission Policy Discussion 26 April.pdf

Dear [Redacted] Personal Affairs

Please find attached the presentation for Commission policy discussion on 26 April to finalise the project scope for Price Trends 2023.

This covers:

- Recommended scope in 2023 for Commission approval
- Potential scope in future years
- Next steps in 2023

Regards,

[Redacted] Personal Affairs

[Redacted] Personal Affairs

Economics Director

Australian Energy Market Commission

[Redacted] Personal Affairs | T +61 2 8296 7800

[Redacted] Personal Affairs | [@aemc.gov.au](mailto:[Redacted]@aemc.gov.au) | www.aemc.gov.au

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PRICE TRENDS 2023

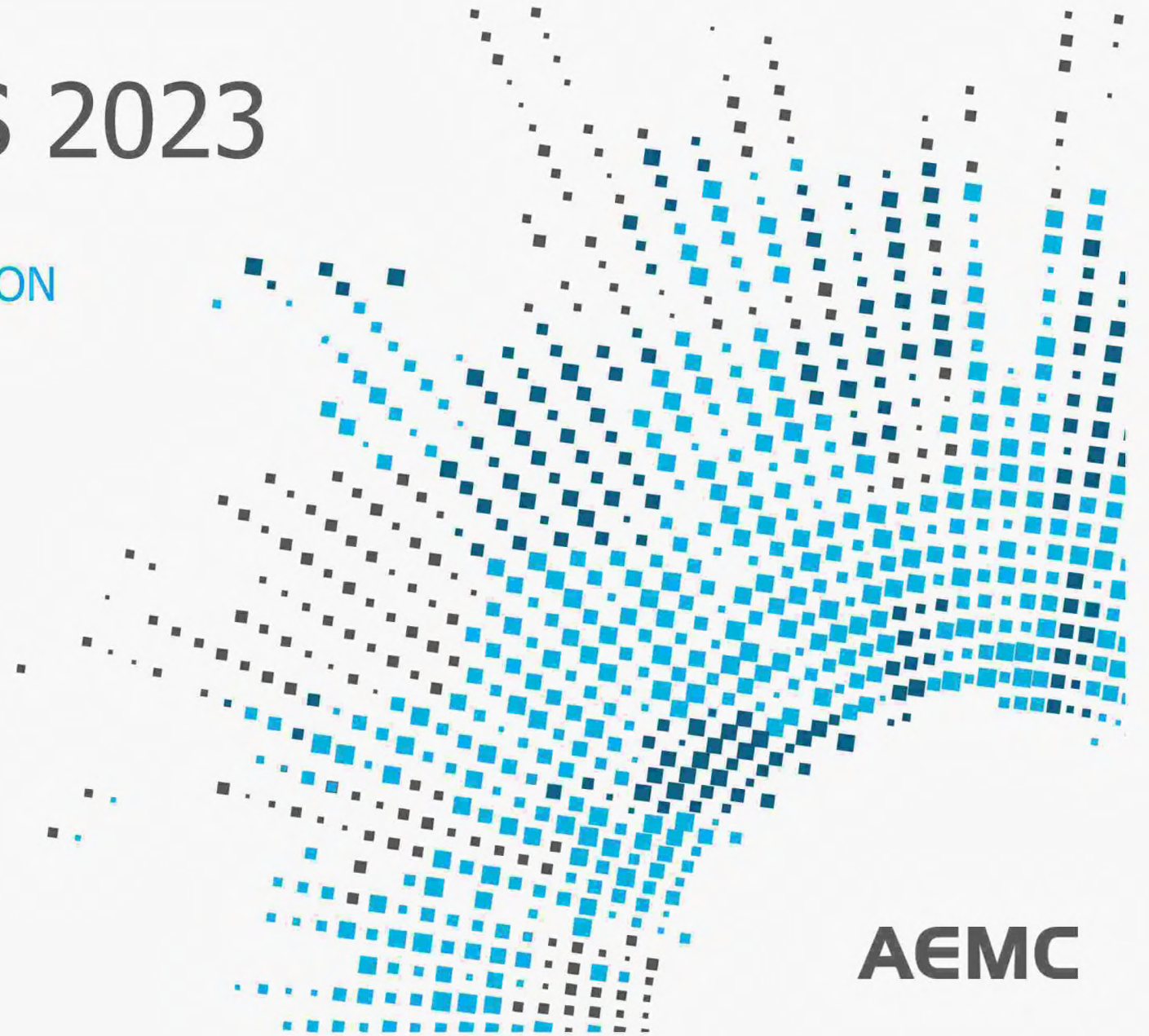
COMMISSION POLICY DISCUSSION



Personal Affairs

Victoria Mollard

26 April 2023



AEMC

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-
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| 1. | Context and background | slides 3-4 |
| 2. | Discussion:
Input 1 – Agree on scope for Price Trends 2023
Input 2 – Agree on potential future work
Input 3 – Next steps | slides 5-13 |
| 3. | Timeline | slide 14 |
-

Background and context

Context

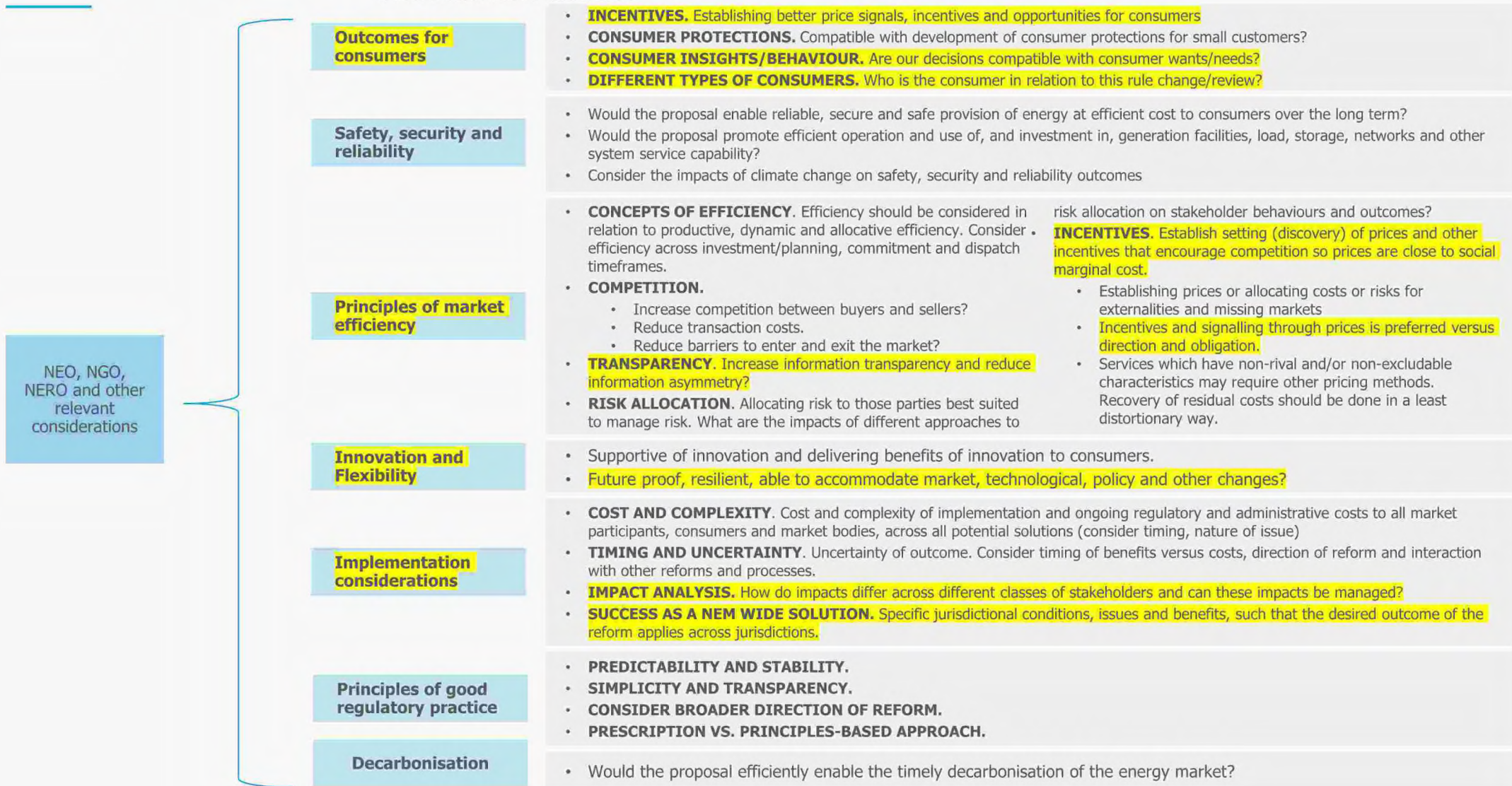
- The AEMC has completed Price Trends annually since 2012 under terms of reference. Historically, the review focused on one year of actuals and three forward years.
- Traditionally the report has been picked up heavily in national and state media.
- The most recent Price Trends report was published on 25 November 2021. In 2022 we did not run Price Trends due to resource constraints and market volatility. This and the future running of the review was communicated to Commonwealth and state governments.
- In November 2022 we communicated to Commonwealth and state governments that Price Trends 2023 would be complete in mid-2023 or later, the website stated in December 2022 that price trends would be published mid-2023.
- The AER's calculation of the DMO is published in April/May ahead of the coming financial year and differs in methodology to Price Trends in that it sets a cap on the standing offer for a single forward year, whereas Price Trends focuses on the lowest market offer for three forward years.
- Commission have previously agreed that moving to a ten year outlook and simplifying the wholesale modelling methodology will further help to differentiate Price Trends from the DMO.
- We have previously discussed at Commission the new purpose of Price Trends focusing on better consumer outcomes and consumer investment decisions over longer timeframes, to support governments and consumer groups in policy decision making.

Trigger

- In addition to moving to a ten year outlook, we have examined different aspects of the market that Price Trends could examine in detail to inform government decision making.
- There are a number of options, but not all can be practically implemented in 2023 given both internal resourcing and capability.
- There is increasing external pressure to agree on a focus and way forward on Price Trends for 2023 and inform jurisdictions of the revised approach, focus and timeline for 2023. Over the past month there has been interest from the Cwlth, Qld and Vic re the report.
- Today's discussion is to agree a scope for Price Trends in 2023 and a set of potential directions that the report can grow into in future years.
- **We are seeking approval on the scope for Price Trends in 2023 prior to initiation and engagement with jurisdictions.**
- **We are seeking feedback on the potential future scope of Price Trends in future years.**

Context and background – assessment framework

Assessment criteria



Inputs required from Commission

Input 1

Agree on scope for Price Trends

- It is recommended the scope of Price Trends 2023 provide a ten-year outlook for prices, with a focus on how forecast prices impact the consumer CER investment decision over the Price Trends outlook period – does it stack up, does it need support. The CER investment decision aligns with our key priorities for 2023-24 as published on 13th April.
- We have the internal capability to do the wholesale modelling and CER investment decision work in house along with a supporting consultant. This will be a development experience for the analytics and economics teams. We do not have the capability to run detailed analysis on more than one major policy variable this year.
- Alternatively, we could look at multiple policy settings by doing the modelling externally. Relying on an external consultant will allow us to more directly challenge the ISP and other policy settings and look at more high-level scenarios. We think this has less value for internal development and is more common analysis externally.
- **Does the Commission agree that the scope and focus for Price Trends in 2023 should be a ten-year outlook that examines the consumer CER investment decision.**
- See more on **slide 7**

Input 2

Agree on potential future work

- The modelling in 2023 will form a base for future work – given the interest in price trends we think it is important to agree a starting point now, and then build on this in over time.
- Additional policy levers Price Trends could look at in future include:
 - Load flex (demand response)
 - Electrification and EV policies
 - Coal retirement/new dispatchable resources
 - Carbon/RET policies and targets
 - Network augmentation and replacement costs
- Policy focus and interest will likely change over time depending on market conditions, and the priorities of governments and consumers.
- **Does the Commission agree that future Price Trends should tackle additional major policy issues, and that this can be determined through internal review and engagement with governments post publication of 2023 report.**
- See more on **slide 13**

Inputs required from Commission

Input 3 Next Steps

- First step will be to send a letter to jurisdictions setting out the agreed scope and timing and inviting questions. To be issued prior to next step below, public notification.
- We would also issue a news item on the website, and update the price trends project page, to publicly update stakeholders on scope and timing. This would be in the next two weeks post commission meeting, 4th or 11th May.
- **Does the Commission agree with the immediate next steps to initiate price trends 2023.**
- See more on complete project timeline on **slide 14**

Input 1 – Agree on scope for Price Trends 2023

SO WHAT?

The scope of Price Trends 2023 should be on a ten year outlook for prices, as agreed, with a focus on the consumer CER investment decision and how this decision looks over the Price Trends outlook period – do private incentives lead to the scale of adoption forecast in the ISP, or will government support be needed?

It aligns with the agreed purpose

- The new purpose of Price Trends is to focus on better consumer outcomes over longer timeframes, to support governments and consumer groups in policy decision making.
- Price Trends 2023 will focus on the CER investment decision in particular, to help inform governments on key policies in relation to rooftop solar and battery incentives.
- It also aligns with our 2023-24 strategic priorities published on 13th April.

It aligns with our current capabilities

- For the wholesale modelling, we see this as an internal development opportunity for the economics and analytics team.
- Form of the Standard is hiring a consultant to further develop AEMC modelling capability. We have coordinated to include a quote for incremental Price Trends work.
- We have some experience in modelling the CER investment decision. Consultants can assist with any anticipated gaps.
- We do not have the internal capability to examine more than one major policy decision in 2023. To look at more variables would involve engaging consultants to run multiple scenarios (see **slides 8-11** for other options considered).

It aligns with stakeholders

- Satisfies federal and state appetite for forward price trends.
- It complements the ECA's work looking at total customer energy bills
- Informs governments of key decisions consumers can make and levers they can use to influence those decisions.
- **Does the Commission agree that the scope and focus for Price Trends in 2023 should be a ten year outlook that examines the consumer CER investment decision?**

Assessing the options in order to agree a scope for price trends (input 1)

- In order to inform the recommendation for Input 1, what the approach or scope to price trends should be in 2023, we looked at:
 - The range of factors and policy areas that could be examined in the course of the report (shown on slide 12)
 - Summarised the options of looking at one major variable (CER or demand response) or multiple variables in one year (slide 9)
 - We examined the benefits and risks associated with looking at CER in more detail (slide 10)
 - We examined the benefits and risks associated with looking at demand response in more detail (slide 11)
 - We examined the benefits and risks of looking at all these major factors at the same time in a single year (slide 12).
- The list on slide 12 also helps to inform the potential range of analysis that could be considered in future years for input 2 (slide 13).

Options for Price Trends 2023 vary between a lens on a single key policy variable or a wider approach

Option 1 – CER consumer choice	Option 2 – Load flexibility impacts	Option 3 – Multiple scenarios wholesale and network
<p>Single variable: CER consumer choice</p> <ul style="list-style-type: none"> • Focus on wholesale prices – impact of CER on wholesale prices and whether CER investment decision supported and if not, in what way additional policy support is needed. • ISP Step change and ESOO as base case. • CER investment decision modelled. • Scenario for higher and lower CER uptake. • Sensitivity for higher and lower commodity prices. • Value: <ul style="list-style-type: none"> • In house learnings on Plexos • Lowest cost. Low risk • Single key variable in CER is doable and has a high impact on results • Strategic priority alignment 	<p>Single variable: Load flexibility impacts</p> <ul style="list-style-type: none"> • Focus on wholesale and network cost outcomes from different levels of demand response. How does load flex reduce consumer costs longer term. Should policy focus on providing more than forecast. • ISP step change and ESOO base case. • Demand response sensitivity modelled in wholesale and networks, higher and lower response. • Requires detailed network model build to look at value of load flex to networks and network augmentation deferral. • Value: <ul style="list-style-type: none"> • In house learnings on Plexos • Single key variable in demand response is doable, may have a high impact on results, but likely to be less than CER scenarios in near term 	<p>Policy levers – multiple scenarios wholesale and networks</p> <ul style="list-style-type: none"> • No end user prices published. Looking at key cost drivers in the wholesale and network segments and their policy drivers. Wider approach. • ISP step change and ESOO used as basis, but scenarios can diverge significantly from this. • Consultants used to model wholesale market outcomes (eg 8-10 variables) and multiple network scenarios (eg 4-6 variables) • Cost outcomes in each scenario are not combined to form end user prices. • Value: <ul style="list-style-type: none"> • Examine large number of variables, but superficial detail • Higher cost. Higher risk as some analysis may be controversial, eg transmission scenarios • Type of analysis quite common in industry

Looking at one variable in detail is doable. Looking at several would require stepping back and having consultants run higher level multiple scenario based modelling.

Option 1- CER Consumer investment choice

- **Proposal**
 - Modelling ISP with variation in CER uptake and commodity costs.
 - Modelling CER investment decision. Is CER investment decision supported by wholesale price outcomes. Are additional steps required from governments to support the build required.
- **Purpose**
 - To help understand the policy levers governments can pull to make consumers better off, in FY23 this will focus on one lever - *the degree of CER uptake and the incentives for consumer uptake*. It will also highlight the importance of commodity prices on this outcome. It will show from this in what scenario consumers are better off, and highlight the incentives needed to move the NEM to that scenario.
 - Governments and consumer groups are the key audience.
- **Outputs**
 - 10 year price outlook By key cost segment
 - Consumer CER investment decision NPV or payback period in each year looking forward.
 - Variation in end user prices and investment decision metrics for high/low CER and high/low commodity prices.
- **Consultants**
 - Aurora have already run some analysis on the CER investment decision. Could be very helpful in this section of the work. But may not be essential.
 - No detailed network modelling. All other modelling in house
- **Collaboration potential**
 - Potential for collaboration with ECA. ECA work focused on entire consumer energy/transport costs and the electrification decision. CER focus in relation to the NEM however has overlap with ECA work. Collaboration may be best focused on front end and results engagement.
- **Positive**
 - In house learnings on Plexos. Collaboration with ECA. Single key variable in CER is doable and has a high impact on results.
- **Risks**
 - Showing end user prices presents some risk. But variable chosen is not controversial.

Option 2 - Load flexibility impacts

- **Proposal**
 - Modelling ISP with variation in DR/load flexibility.
 - Identifies value of DR and load flex and whether additional policy support is required to support better consumer outcomes. Also helps to identify the value in wholesale markets AND in terms of network investment deferral.
- **Purpose**
 - To help understand the policy levers governments can pull to make consumers better off, in FY23 this will focus on one lever – *the degree of load flex and the impact this has on wholesale markets and network maintenance and augmentation costs.*
 - Governments and consumer groups are the key audience.
- **Outputs**
 - 10 year price outlook rather than 3 year outlook. By key cost segment
 - Relative value of DR/load flex to consumers in the NEM
- **Consultants**
 - Wholesale impacts modelled in house. NERA did do similar work recently. Potential to engage with them on their outcomes.
 - Detailed network model build required, would require consultant engagement
- **Collaboration potential**
 - Probably less collaboration potential with ECA or any other body.
- **Positive**
 - In house learnings on Plexos. Single key variable in demand response is doable, may have a high impact on results, but likely to be less than CER scenarios in near term.
- **Risks**
 - Showing end user prices presents some risk.

Option 3 - Policy levers - Multiple scenarios wholesale and networks

- **Proposal**
 - External consultants to run wholesale and network models with all the sensitivities that are desired. No need to base off ISP but this may make sense as central case.
 - No end user prices published, just directional changes for each variable and policy conclusions drawn.
 - May identify broad policy reform direction across wholesale and networks.
- **Purpose**
 - To help understand the policy levers governments can pull to make consumers better off, in FY23 this will focus multiple levers in wholesale and networks.
 - Governments and consumer groups are the key audience.
- **Outputs**
 - 10-year outlook. Wholesale and network costs only. No end user prices provided.
 - Environmental and retail or residual costs avoided
- **Consultants**
 - Wholesale impacts – would engage likes of Aurora to run 8-10 scenarios
 - Network impacts – would require detailed network model, could run 4-6 scenarios around inflation and capex build out assumptions.
- **Collaboration potential**
 - Given wider remit and NEM focus, less potential for ECA collaboration than option 1.
- **Positive**
 - No end user price published, reduces risk. Focus more on levers than numbers.
 - Environmental and residual costs are avoided. These are the least firm numbers calculated in Price Trends. Residual is normally inferred from recent offers and environmental we obtain from jurisdictions.
 - Large number of scenarios could be covered (see table).
- **Risks**
 - Divergence from ISP may still be controversial
 - No internal learnings from analysis.
 - Network model outputs could be controversial.

Scope of all variables that could be explored

Scenarios to explore	Wholesale	Networks
Scenarios - Endogenous	Total Demand Electrification Demand response EVs Coal reliability and outages Coal retirement timing CER growth in Solar PV CER growth in rooftop batteries New build dispatchable power New build renewable generation Carbon pricing and emissions targets RET replacement (REGO/GO) Voluntary carbon abatement trends (Greenpower, climate active)	Transmission build assumptions BAU Capex Distribution networks Augmentation Capex Distribution networks
Scenarios – Exogenous	Commodity prices Technology Costs State roadmaps Transmission costs	Inflation forecasts

Input 2 – Agree potential future work

SO WHAT?

Future Price Trends iterations while also providing a ten year outlook of prices, can examine in detail major issues in the market that may be relevant to government decision making.

There are a number of major policy levers/decisions governments can take

- A potential shortlist of policy levers to examine might include:
 - Load flex (demand response) (see **slide 11**).
 - Electrification and EV policies
 - Coal retirement/new dispatchable resources
 - Carbon/RET policies and targets
 - Transmission and distribution network new build
- See **slide 12** for a summary table of endogenous and exogenous factors that might be considered in future.

There are different variables that determine what will be most important to consider in future

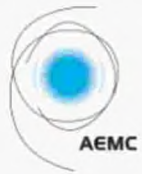
- Government priorities and focus will change depending both on what is happening in the NEM, technological developments and desires and concerns of consumers.
- Our capabilities will grow through completing Price Trends in 2023 and this may also help to inform what is most doable, and what is most valuable in terms of insights.
- It is also feasible that the greatest value may be seen in repeating the 2023 analysis unchanged.

We can explore these variables in subsequent Price Trends reports

- The modelling in 2023 will form a base for future work – given the interest in price trends we think it is important to agree a starting point now, and then build on this over time.
- Post implementation review internally and engagement with government may provide the best guidance as to the approach in 2024 and beyond.
- **Does the Commission agree that future Price Trends should tackle additional major policy issues, and that this can be determined through internal review and engagement with governments?**

Timeline

Milestone	Date
Informal discussion on Price Trends with Commission	17 January 2023
Agreement on scope and purpose Commission discussion	8 February 2023
Inform Jurisdictions about updated Price Trends approach and timing	February/March 2023
Agree final scope with Commission	26 April 2023
DMO final determination by AER published	May 2023
Written confirmation of scope and timing of price trends to jurisdictions and Commonwealth	Early May 2023
Public notification of scope and timing of price trends (News item/project page update)	Early May 2023
Commence Price Trends 2023/	May/June 2023
Jurisdiction discussions on commencement	May/June 2023
New retail offers published (EME/VEC)	July 2023
ESOO 2023 published (key Plexos input)	August/September 2023
Price Trends expected publication	November 2023



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Subject: AEMO AEMC Price Trends/ESOO

Location: Microsoft Teams Meeting

Start: 5/15/2023 3:00 AM

End: 5/15/2023 3:45 AM

Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: [Redacted]

Required Attendees: [Redacted]@aemo.com.au; [Redacted]

Resources: Microsoft Teams Meeting

Following on from 19 April discussion, we agreed to check in in May on overall process, timelines for price trends, observations on offers, and jurisdictional discussions to date (including on environmental schemes).

Microsoft Teams meeting

Join on your computer, mobile app or room device

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From: Victoria Mollard
Sent: Wednesday, July 19, 2023 3:54 PM
To: Jolly, Stephanie
CC: Personal Affairs
Subject: For info: price trends update tomorrow referencing DMO + question re EISG
Attachments: 230720 Media release - Update on Residential Electricity Price Trends report (EMBARGOED).pdf

The document attached to this email is under embargo until 8am this Thursday, 19 July 2023

-
Hi Steph

Hope you're well! I had two quick things for you:

1. We're publishing a media release tomorrow on price trends. Please see attached for your reference – please note reference to DMO in this. Please let me know if you have any concerns. Note this doc is under embargo as per attachment / note above
2. We're working through who we're sending to Banff for EISG – likely to be our new Personal Affairs
Personal Affairs I was just wondering if you had an idea about who you were sending from the AER and whether I could put our Personal Affairs in touch with them to liaise on logistics etc.

Happy to discuss – give me a call on Personal Affairs

Thanks
Victoria

Victoria Mollard Executive General Manager
Australian Energy Market Commission
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Assistant: Personal Affairs [@aemc.gov.au](mailto: @aemc.gov.au)

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MEDIA RELEASE



AEMC

AUSTRALIAN ENERGY MARKET COMMISSION

Thursday, 20 July 2023

UPDATE ON RESIDENTIAL ELECTRICITY PRICES REPORT

The Australian Energy Market Commission (AEMC) will improve its Residential Electricity Price Trends report modelling, with a longer-range forecast on electricity prices to better assist energy experts and policymakers with their decision making.

The AEMC has reviewed its approach to price trends reporting, with a new 10-year forecast report to be published in late 2024, following feedback from stakeholders, shifting from the previous approach of a one-to-three-year forecasting model for price estimates.

This is primarily due to market conditions, including global events that have directly resulted in electricity and fuel price rises. This volatility makes the forecast and analysis less useful.

The AEMC is also conscious that similar short-term analysis on consumer price trends is now carried out by the Australian Energy Regulator (AER) as part of its responsibility to determine a Default Market Offer (DMO) price each year.

The new approach will provide greater insight into the drivers of consumer electricity costs over a longer period of time, exploring the impacts of potential policies and various market scenarios over a 10-year period.

This will also eliminate unnecessary duplication of tasks between market bodies and deliver a more valuable analysis for the sector.

The AEMC will seek feedback from stakeholders as it develops the new model and will continue to analyse what is occurring locally and globally in its work.

The AEMC remains focused on providing a framework for stable and affordable electricity prices through the transition to net zero, and ensuring the market is working in the best interests of Australian households and businesses.

Media enquiries: Personal Affairs | media@aemc.gov.au

This document remains under embargo until 8am on Thursday 19 July 2023.

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From: Stephanie Jolly
Sent: Friday, July 21, 2023 8:05 AM
To: Victoria Mollard
Subject: RE: For info: price trends update tomorrow referencing DMO + question re EISG
 [SEC=OFFICIAL]

OFFICIAL

Hi Victoria

Thanks very much for sharing this and apologies for not responding earlier. For what its worth, your new approach to price trends sounds great. Re EISG – unfortunately we won't be sending anyone to Banff due to budget constraints. We are hopeful of sending people to the April event in 2024 though.

Regards,
 Steph.

Stephanie Jolly
 A/Executive General Manager, Consumers, Policy and Markets
Australian Energy Regulator
 E: Stephanie.Jolly@aer.gov.au
 P: Personal [REDACTED]

LGBTIQA+ Ally



From: Victoria Mollard <Victoria.Mollard@aemc.gov.au>
Sent: Wednesday, 19 July 2023 3:54 PM
To: Stephanie Jolly <Stephanie.jolly@aer.gov.au>
Cc: Personal Affairs [REDACTED] <[REDACTED]@aemc.gov.au>
Subject: For info: price trends update tomorrow referencing DMO + question re EISG

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Happy to discuss – give me a call on **Personal**

Thanks
Victoria

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From: Anna Collyer
Sent: Monday, May 1, 2023 5:31 PM
To: COMMISSIONERS
Subject: FW: Notes of Policy meeting 26 April 2023 - Price Trends 2023 Scope

Hi there

This didn't seem to me to be quite what we agreed:

- I thought we'd be doing a pretty simple version of option 3 to start with as we don't have the skills to do option 3 as set out in the slides
- I didn't think we'd made a call on whether to publish or not – we were adopting a wait and see what we get approach
- I didn't think we discussed putting something on our website for stakeholders – I think its awkward to put out something that says we're doing price trends but not going to publish it.

Lets see if we can find a time for a chat tomorrow.

Thanks

Anna

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Sent: Monday, 1 May 2023 2:01 PM
To: [Personal Affairs] [@aemc.gov.au](mailto:[Personal Affairs]@aemc.gov.au)>; COMMISSIONERS
 <commissioners@aemc.gov.au>
Cc: Victoria Mollard <Victoria.Mollard@aemc.gov.au>; [Personal Affairs] [@aemc.gov.au](mailto:[Personal Affairs]@aemc.gov.au)>;
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Subject: Notes of Policy meeting 26 April 2023 - Price Trends 2023 Scope

Notes of Policy meeting 26 April 2023 - Price Trends 2023 Scope

The Commission:

- Agreed that we should focus on providing a 10 year price forecast across multiple scenarios (option 3 in the presentation) – noting this is a tool we are ultimately going to need for our rule changes
- Agreed in the first year (2023) the focus will be on building up the capability and engaging with jurisdictions
- Agreed we would not publish a report at all in 2023, but the output from 2023 will provide a starting point as we build our capability
- Agreed that we would provide the work from 2023 to jurisdictions for their use internally, and potentially provide them with the price outputs
- Noted that the calculation of actual market offers, as raised by the team, is something to be left to the AER, our focus is on the price outlook, not actuals and AER data.

Next Steps:

Team to draft letter to go from CE to Jurisdictions outlining approach to price trends in 2023 and organising a meeting to seek feedback. This letter will set out:

- The approach as outlined in option 3 – multiple policy levers, ten year timeframe. End user prices are the final output. This is a useful approach as it will help us develop a tool that we are ultimately going to need for our rule changes
- We will not be publishing the report in 2023 due to concern about risks associated with publishing prices as well as wanting to develop our capability in this space
- However, we want to engage with jurisdictions in our development and share the results with jurisdictions in 2023
- 2023 price trends work is about building up our capability – we may return to publishing results as our modelling becomes more robust in later years (including potentially prices in 2024 onwards)
- We are seeking jurisdiction feedback on this approach.
- Following jurisdictional feedback we will publish a short note on our website updating stakeholders to this plan

Team to complete budget and submit for approval, to enable modelling consultancy work to be engaged (with timing also driven by need to engage same consultants on Form of the Standard shortly).

Post sending of CE letter, EGM + team to organise discussion with jurisdictions to obtain feedback.

Regards,

Person

Personal Affairs

Australian Energy Market Commission

Personal Affairs T +61 2 8296 7800

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From: Personal Affairs
Sent: Monday, July 3, 2023 2:03 PM
To: Personal Affairs
CC: Personal Affairs
Subject: RE: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL]

Hi Persona

That data looks good to me as it is the most up-to-date data we have as of today. We would like to have updated figures towards the end of the year but not in time for the publication of your report unfortunately.

Regarding the online page, we are looking to put something out in the next week or so informing of the status of price trends this year. Thanks for pointing this out though!

Kind regards

Personal

Economist

Australian Energy Market Commission

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From: Personal
Sent: Monday, July 3, 2023 1:13 PM
To: Personal
Subject: FW: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL]

OFFICIAL

Hi Personal

Also, just letting you know there still seems to be some AEMC [online content](#) anticipating publication of this year's Price trends report, in case you want to have it amended/removed.

Kind regards,

Perso

From: Personal
Sent: Monday, 3 July 2023 12:37 PM
To: Personal Affairs @aemc.gov.au>
Cc: Personal Affairs @aer.gov.au>; Persona @aemc.gov.au
Subject: RE: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL] [ACCC-ACCANDAER.FID3362957]

OFFICIAL

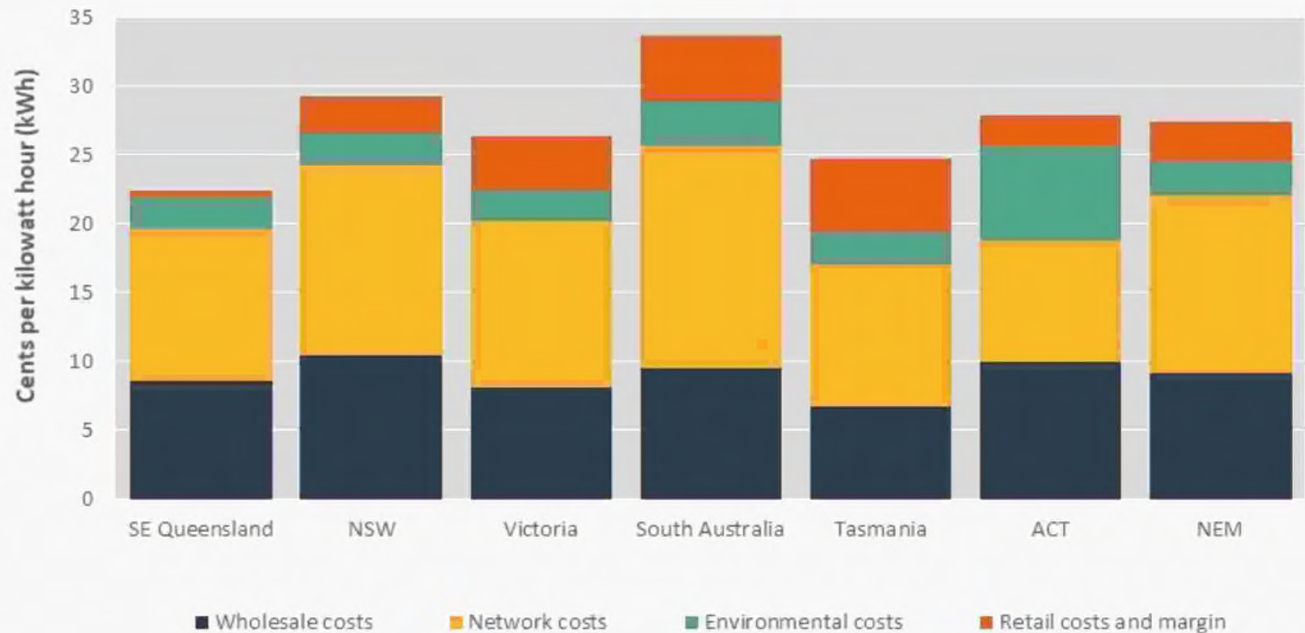
Hi Personal

Thanks for the chat last week about the status of your Price trends report. As foreshadowed, please note the chart and a couple of dot points from our 2022 State of the energy market report that referenced your Price trends report, in case there's any relevant, updated data or commentary you can provide.

Kind regards,

Person

Figure 6.2 Composition of a residential bill – electricity



Note: Cost components for the average residential customer in 2021–22, excluding GST. Calculated using trends in supply chain components for each jurisdiction and national trends.

Source: AEMC, *Residential electricity price trends 2021*, 25 November 2021 (using data from Energy Made Easy and Victorian Energy Compare on 17 September 2021).

- Environmental costs were lowest in Victoria, where the primary cost component was the jurisdictional Small-scale Renewable Energy Scheme (SRES).^[1]
- The AEMC estimates that retailer costs and margin made up almost 22% of a customer bill in Tasmania in 2021–22, compared with around 2% in south-east Queensland.^[2] Some of the differences between jurisdictions is due to the different methodologies used to set prices by the different regulators

From: Personal Affairs <[REDACTED]@aemc.gov.au>

Sent: Thursday, 29 June 2023 3:37 PM

To: Personal Affairs <[REDACTED]@aer.gov.au>; Personal Affairs <[REDACTED]@aemc.gov.au>; Person

Personal Affairs <[REDACTED]@aemc.gov.au>

Cc: Personal Affairs <[REDACTED]@aer.gov.au>

Subject: RE: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL]

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Hi Person

Great to hear from you again! We are doing Retail Price Trends as an internal project this year and the results won't be published. I've copied Person on this email so that he can respond directly to you on how we intend to share the results.

On gas matters, I think Person is the best person to contact. I've also copied him here. Please note that Perso is currently on leave and will return to the office next Monday.

Cheers

Per

From: Personal Affairs [REDACTED] <[REDACTED]@aer.gov.au>
Sent: Thursday, June 29, 2023 1:46 PM
To: Personal Affairs [REDACTED] <[REDACTED]@aemc.gov.au>
Cc: Personal Affairs [REDACTED] <[REDACTED]@aer.gov.au>
Subject: AEMC's retail electricity price trends report 2023 [SEC=OFFICIAL]

OFFICIAL

Hi P [REDACTED]

I hope you're well and that you don't mind me reaching out on something that's not your area. I'm trying to track down the likely publication date of the AEMC's Retail Electricity Price Trends 2023 report. We draw on some of the data for our State of the Energy Market Report, and we are getting close to the deadline for finalising the reports. Are you able to connect me with someone who knows the latest on the likely publication date?

I also wanted to flag that I am working a lot on gas matters and the AER's new reporting role coming out of the gas pipeline reforms. If you or any of your AEMC colleagues are working on gas matters, it would be great to have a yarn on shared topics of interest. I don't have any AEMC gas contacts yet and I'd welcome hearing more about AEMC's perspective.

Thanks very much

Personal Affairs [REDACTED]

Director | Wholesale Gas Performance Reporting | Market Performance Branch

Please note [REDACTED] and I job-share this Director role. I work Mondays, Wednesdays and Fridays and [REDACTED] works Tuesdays, Wednesdays and Fridays.

Australian Energy Regulator

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[1] AEMC, '[Residential electricity price trends 2021](#)', AEMC Website, 25 November 2021, accessed 1 February 2022.

[2] AEMC, '[Residential electricity price trends 2021](#)', AEMC Website, 25 November 2021, accessed 1 February 2022.