



Australian Government

DEPARTMENT OF RESOURCES, ENERGY AND TOURISM

Energy network regulation policy and consumer prices

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Overview

- Challenges for the Australian Electricity Market
- Retail electricity prices
- Retail electricity price trends
- Electricity network regulation
- Consumer demand patterns
- Retail energy markets and consumer frameworks
- Planning for the future

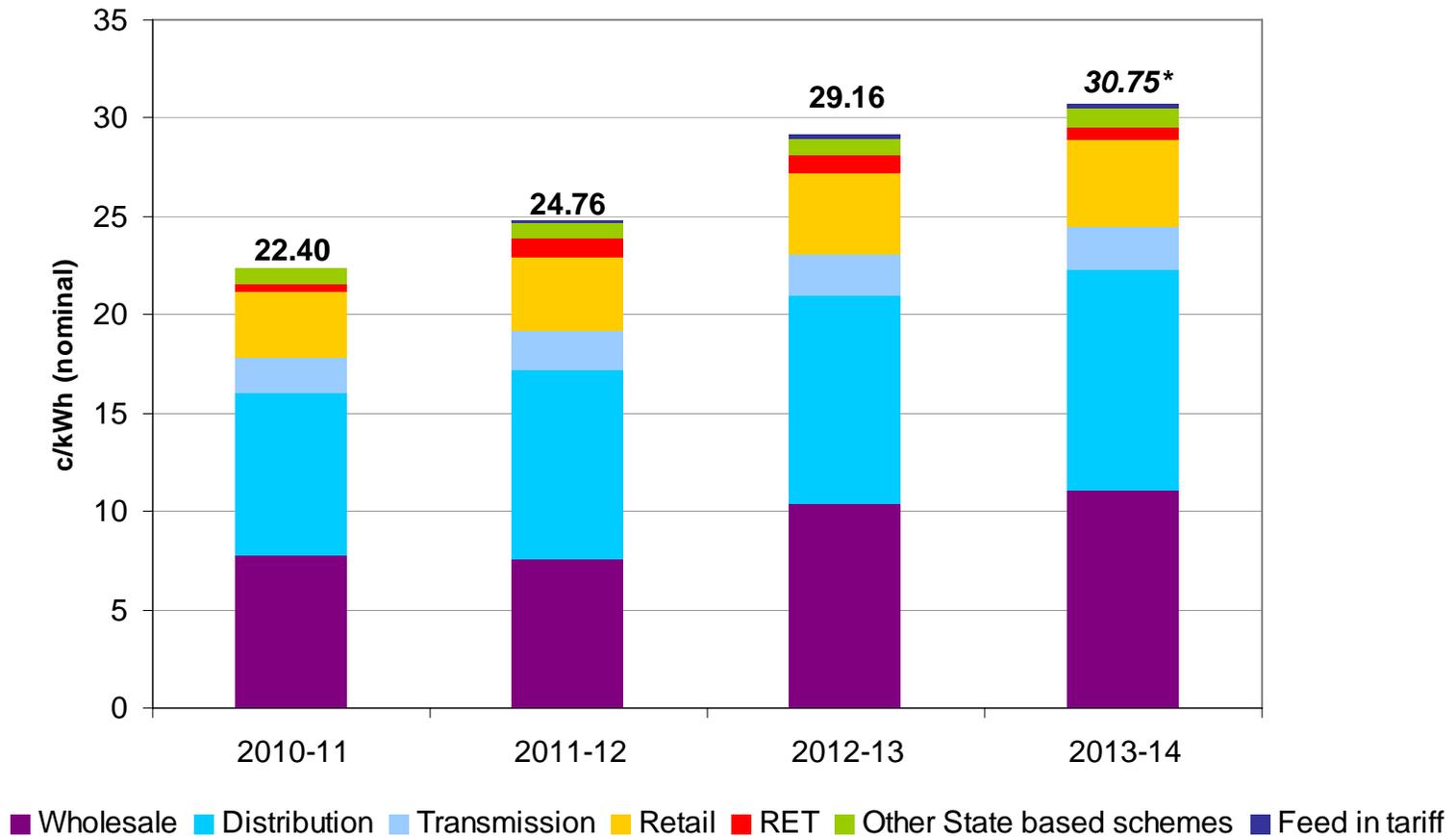


Challenges for the Australian Electricity Market

- Impact of rising electricity prices for residential consumers
- Continued population growth, changing appliance mix and associated increases in peak demand
- Investment in transmission and distribution networks
- New dynamics created by carbon pricing and other schemes and transition to cleaner energy technologies
- Ensuring that market structures remain efficient and competitive

Retail Electricity Prices

Average national residential electricity prices in Australia
from 2010-11 to 2013-14

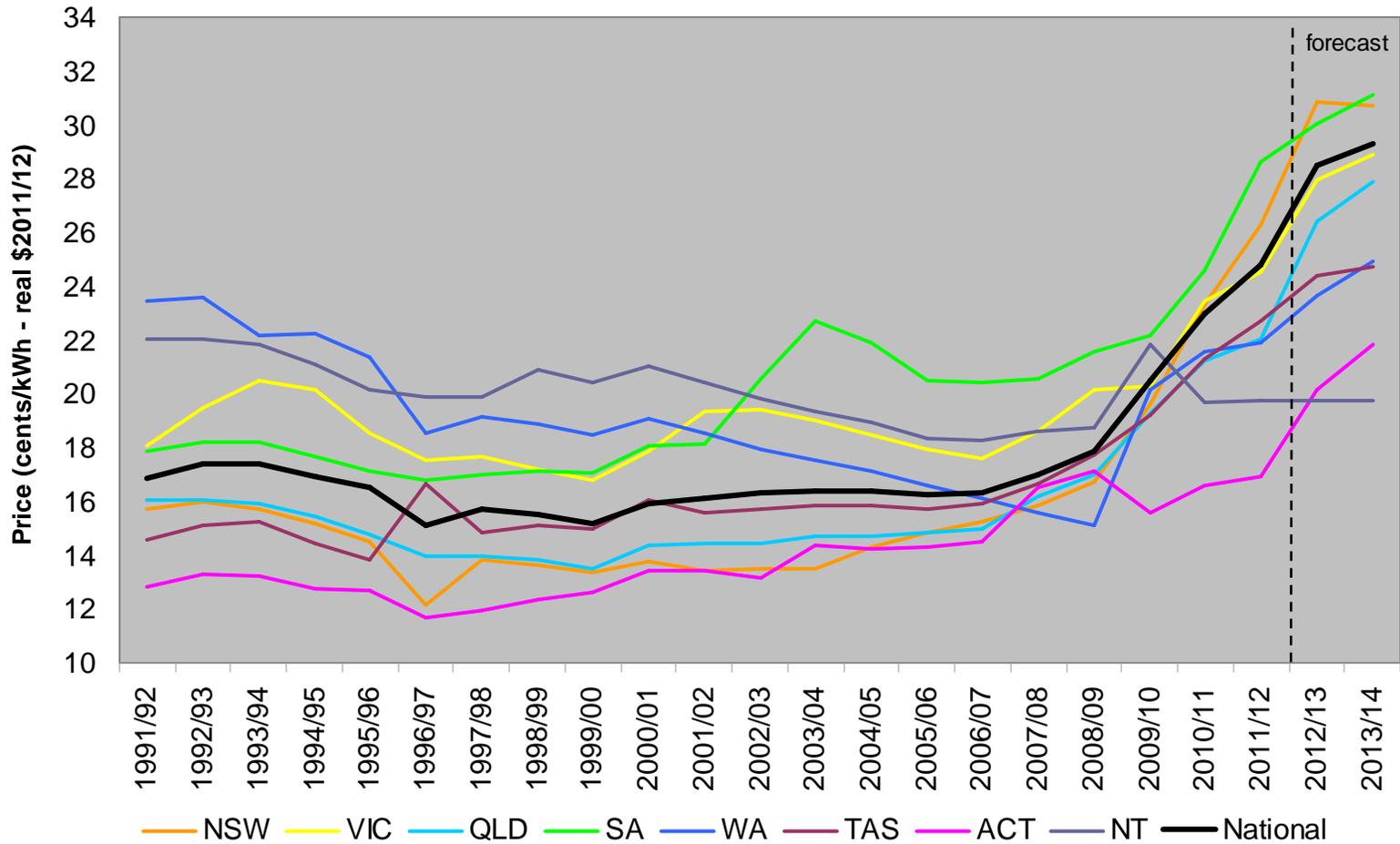


*projected national average electricity price

www.ret.gov.au

Source: AEMC Report, *Possible Future Retail Electricity Price Movements: 1 July 2011 to 30 June 2014, 2012*

Residential Electricity Price Trends - (inflation adjusted)



Source: Combination of ESAA, ABS, AER and AEMC data on electricity prices

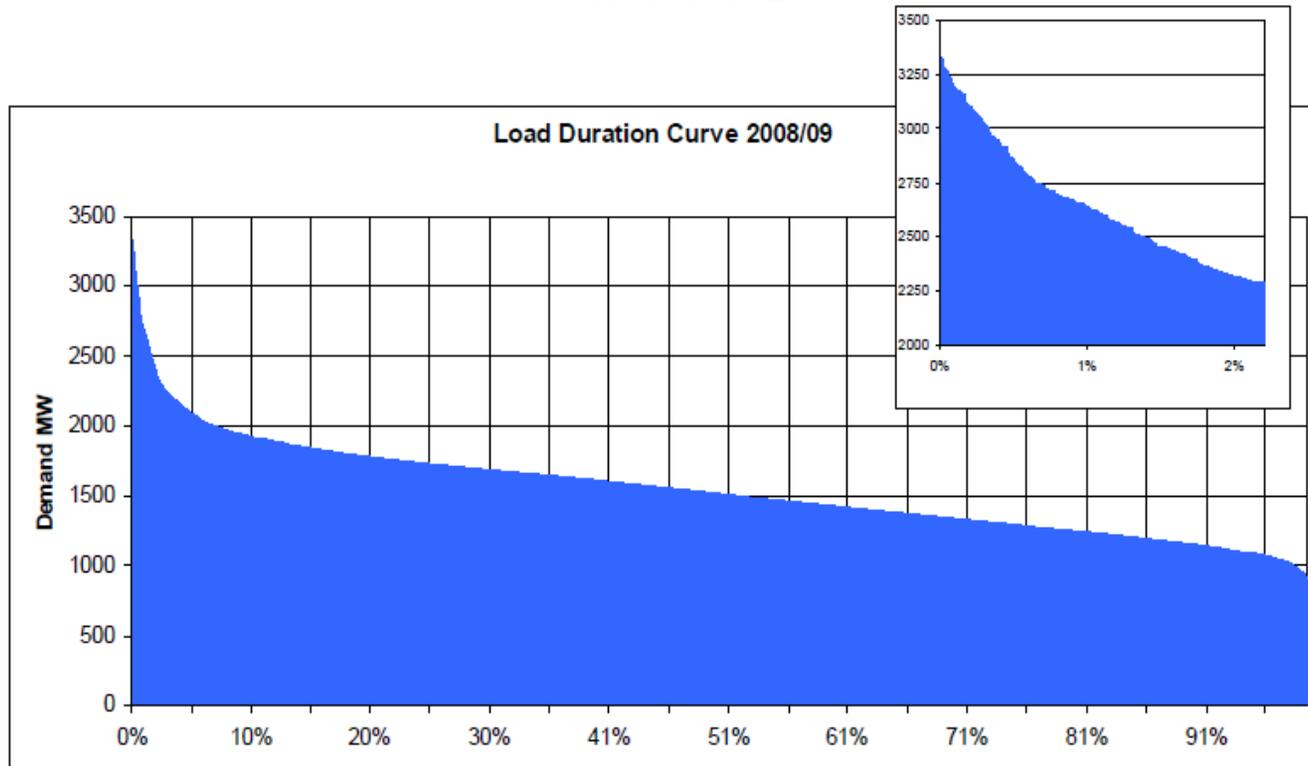
Electricity Network Regulation

- Extensive work program that aims to deliver the right balance between network investment, reliability of supply and costs for consumers.
- Inquiry into the use of benchmarking of network businesses.
- Review of the appeal process for prescribed decisions for energy networks.



Consumer Demand Patterns

Peak demand for the distribution network
in South Australia in 2008/09



- A third of the entire network capacity (1,000 MW) is required for only 1 to 2 per cent of the year

Source: ETSA Utilities

Retail Energy Markets and Consumer Frameworks



Melbourne, Victoria

A competitive retail energy market can take time to develop.

A strong consumer protection framework is essential even in an effective competitive market.

The National Energy Customer Framework harmonises the regulation of retailers across Australia and provides consistent protections for energy consumers.

Planning for the Future

