

# AEMC ELECTRICITY PRICE TRENDS REPORT

This report looks at what factors will drive household electricity prices over the next three years to 30 June 2015.

PRICE  
INCREASES  
WILL SLOW  
NATIONALLY



This year  
2012-13



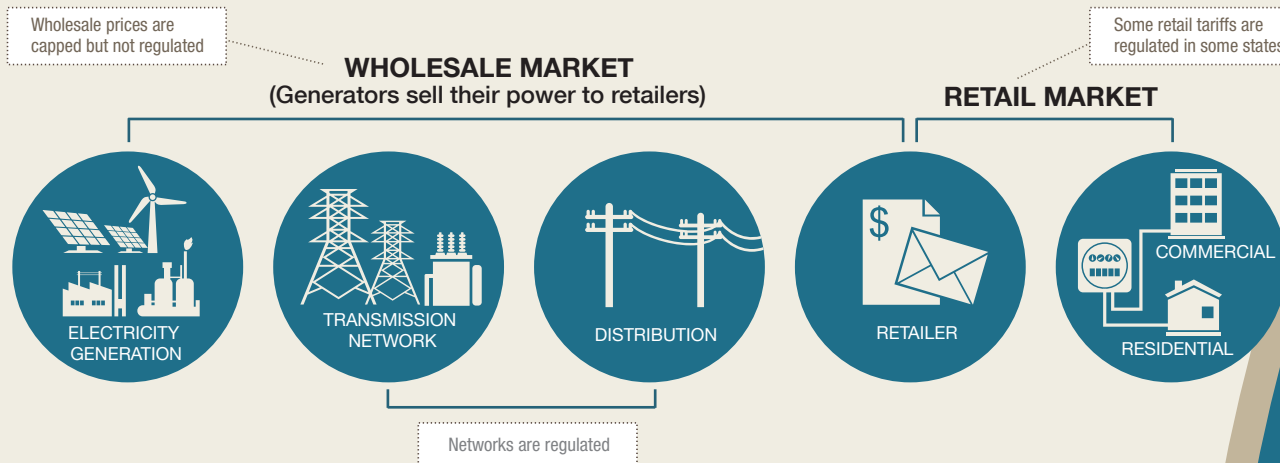
Average increase each year  
for next two years to 2014-15



Total increase  
2011-12 to 2014-15



ELECTRICITY  
SUPPLY CHAIN



## STATES AND TERRITORIES TRENDS

Total retail price increase 2012-13 to 2014-15

Price trends subject to:

- Changes to retail price and network regulation
- Entry and exit of generators from the market
- Demand changes

## WHAT MAKES UP YOUR ELECTRICITY PRICE?

### WHOLESALE

- Wholesale energy charges
- Market and ancillary service fees
- Energy losses
- Carbon price

### TRANSMISSION

- Use of system charges

### DISTRIBUTION

- Use of system charges
- Metering charges
- Feed-in-tariffs

### RETAIL

- Operating charges
- Retail margins
- Environmental schemes

## KEY TRENDS



Wholesale prices will remain flat and we expect retail costs to stabilise because of flat demand and increased generation of renewable energy.

NB: The market has already absorbed the carbon price



Networks drive 100% of the average price increase from 2012-13 to 2014-15. Distribution accounts for 81% of the price rise.



Environmental initiatives led to higher retail prices but their cost is moderating.

