

# AEMC 2014 PRICE TRENDS REPORT

OVERALL NATIONAL average prices are falling in 2014/15 and expected to remain stable over the following two years. But trends vary across states and territories.

## WHAT ARE THE COMPONENTS THAT MAKE UP YOUR ELECTRICITY BILL?

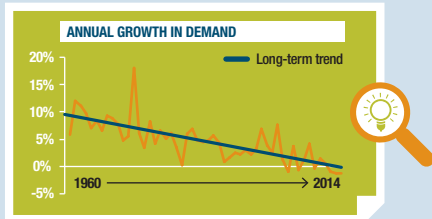
39%

### Competitive markets

Wholesale prices are subdued and there is more retail competition



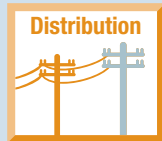
- Wholesale prices are subdued because of generation oversupply being driven by falling demand and the Renewable Energy Target. These prices may not be sustained if unprofitable generators exit the market
- Retail markets are opening up as governments deregulate prices



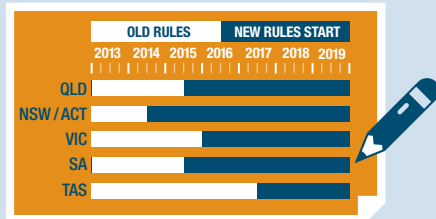
53%

### Regulated networks

The cost of poles and wires is mainly flat or falling under a new regulatory framework



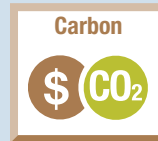
- New rules made by the AEMC are being applied so people don't pay more than necessary
- The Australian Energy Regulator is better equipped to set efficient network revenues. Benchmarking now highlights the relative efficiencies of network companies



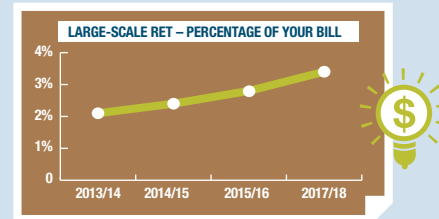
8%

### Environmental policies

The cost of the Renewable Energy Target and legacy solar feed-in tariff schemes continue to impact prices

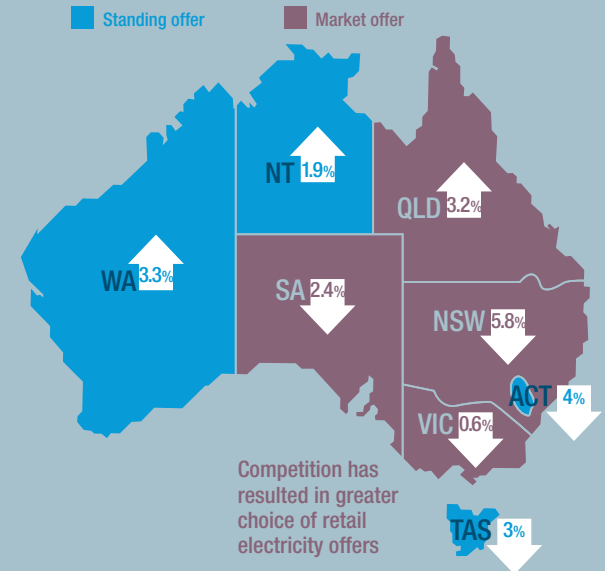


- Residential electricity prices have fallen in 2014/15 in most states and territories following removal of the carbon price
- The cost of other environmental policies including the Renewable Energy Target is expected to increase in the years ahead



## WHAT WILL EXPECTED AVERAGE ANNUAL PRICE TRENDS BE BETWEEN JULY 2014-17?

Price drivers vary considerably between states and territories although there are some common underlying trends.

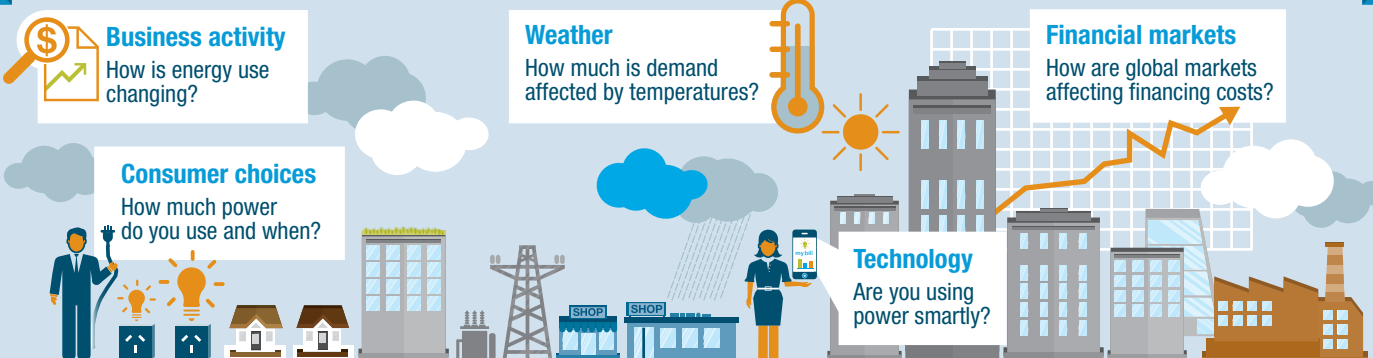


## HAVE YOU SHOPPED AROUND FOR A GOOD DEAL?

Typical savings an average customer might make from switching to a competitive market offer in 2013-14. Some consumers could save even more.



## WHAT OTHER FACTORS INFLUENCE HOW MUCH WE PAY?



For further details (including methodology) visit [www.aemc.gov.au](http://www.aemc.gov.au)