

Hon Dan van Holst Pellekaan MP Minister for Energy and Mining

Thursday 30 April 2020

Power prices falling for household and small businesses

Tens of thousands of South Australian households and small businesses will receive substantial cuts to their electricity bills from July 1 this year.

Today's decision by the Australian Energy Regulator (AER) to cut the Default Market Offer for electricity by 5.6% or 7.3% for households, and 8.9% for small business has been welcomed by the Marshall Government.

"Households and small businesses on standing contracts will see annual savings ranging from \$109 for households up to \$815 for the average small business in 2020-21," said Minister for Energy and Mining Dan van Holst Pellekaan.

"These substantial falls in default market offers provide further positive signals about the price of electricity for all South Australian households and businesses.

"Reductions in the default market offer generate falls in all other retail prices which are benchmarked off it."

"AEMO's recent Quarterly Energy Dynamics report shows a substantial fall in the wholesale price of electricity in South Australia from late last year."

The default market offer sets the maximum price a retailer can charge the approximately 75,000 small electricity customers on standing offers.

Whilst the reduction of \$109-176 for households on this offer is welcome, even lower priced offers are now also available via market price offers.

The AER's decision shows that our strong plan for energy is working to deliver lower prices.

Customer	Network Cost	Wholesale Cost	Environmental Costs	Price impact (%)	Price Impact (\$)	Final bill
Residential without CL	-5.6%	-6.1%	-21.7%	-5.6%	-\$109	\$1,832
Residential with CL	-6.3%	-8.1%	-21.7%	-7.3%	-\$176	\$2,244
Small business	-13.9%	-6.1%	-21.7%	-8.9%	-\$815	\$8,305

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