



The AEMC has corrected 2015 Residential Electricity Price Trends data in an updated version of the 2015 report, published on 23 February 2017. An information sheet on the changes is available on the AEMC's website [here](#).

This media release has not been updated to reflect the updated report.

ACT electricity prices stable for now

Falling network costs to be offset by expected rises in wholesale electricity and environmental policy costs as electricity prices remain largely flat over the next three years.

The 2015 Australian Energy Market Commission (AEMC) Residential Electricity Price Trends report looks at the trends in the underlying cost components of household electricity bills, including the competitive market sectors of wholesale generation and retail; the regulated networks sector; and price implications from government environmental policies.

AEMC Chairman John Pierce said the report has found that uncertainty currently surrounds future network revenues at the same time that costs associated with wholesale energy and environmental policies are expected to rise.

"Wholesale electricity costs, which have been reasonably stable in recent years, are expected to rise," Mr Pierce said.

"Increasing consumption, as forecast by the Australian Energy Market Operator, is driven by population and income growth in the ACT over the next three years.

"Higher forecast gas prices also contribute to expected increases in wholesale electricity costs as increasing wholesale gas prices raise costs for gas-fired generators."

Environmental policy costs are also expected to rise, particularly those associated with the Large-scale Renewable Energy Target that requires retailers to source a proportion of their electricity from renewable sources, and ACT solar and wind feed-in tariff schemes.

Mr Pierce said that the impact of these higher costs is being mitigated by lower network revenues, which have reduced costs associated with poles and wires by 10 per cent on average in 2015/16.

"The stable price trend identified in this report incorporates the most recent determinations from the Australian Energy Regulator on the revenue ActewAGL is allowed to collect from customers," Mr Pierce said.

"With a range of applications for review of this determination by the Australian Consumer Tribunal and potentially other judicial bodies, these outcomes are uncertain.

"Any resulting tribunal or court decision may change the AER's determinations. If this happens, ActewAGL will likely receive a different decision on the amount of revenue it can recover from customers over the five-year regulatory period, resulting in uncertainty over the future direction of residential electricity prices until review processes are exhausted."

Mr Pierce said the way these trends will impact individual households depends on how each consumer uses electricity, and how willing they are to switch to a better energy deal that meets their needs.

"Consumption profiles are becoming increasingly diverse as new technology and significant changes to the National Electricity Rules over the past three years facilitate greater demand side participation in energy markets," Mr Pierce said.

"No two households use energy in the same way. Knowing how much power you use and when, will be the key tool in controlling electricity costs in the future."

The annual Residential Electricity Price Trends report provides an understanding of the cost components of the electricity supply chain that contribute to the overall price paid by residential consumers, and the expected trends in each of these components.

The full report and further information is available at www.aemc.gov.au.

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**The AEMC's 2015
Price Trends
report shows ACT
electricity prices
to be stable.**