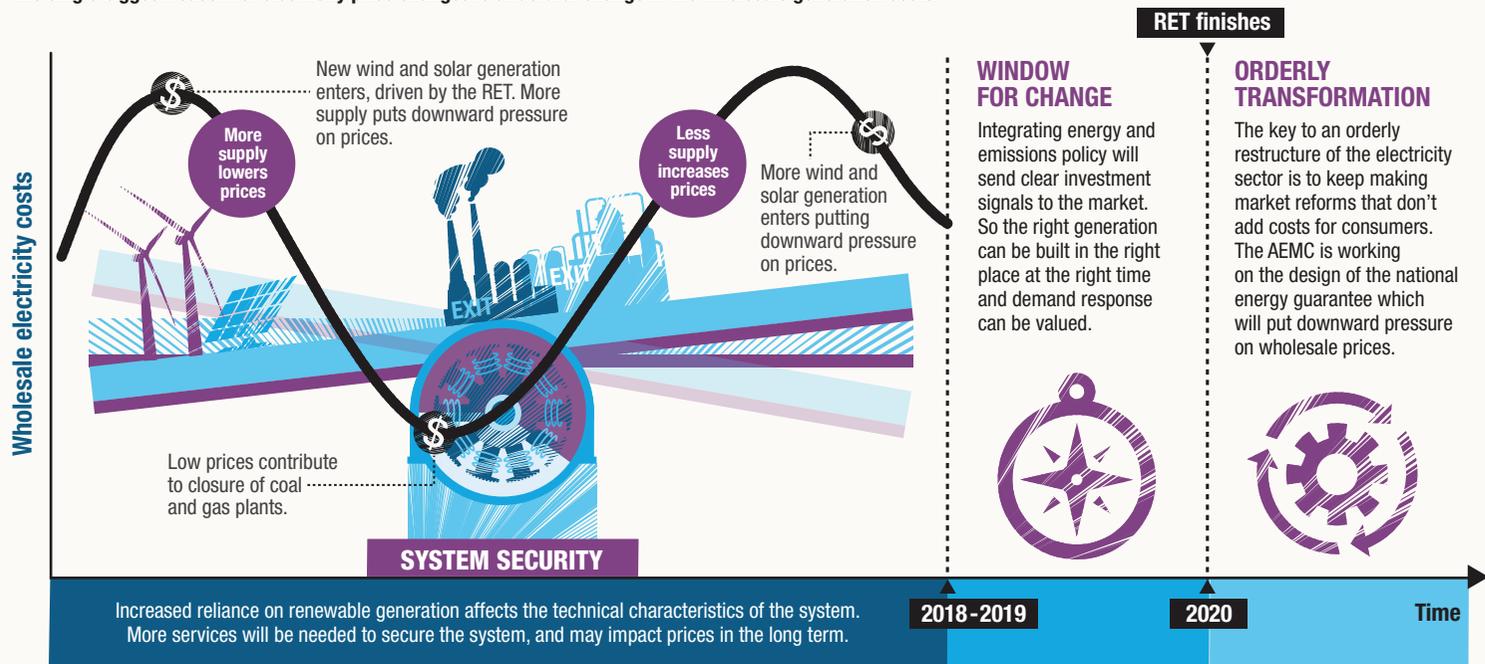


AUSTRALIAN ENERGY MARKET COMMISSION ELECTRICITY PRICE TRENDS REPORT 18 DEC 2017

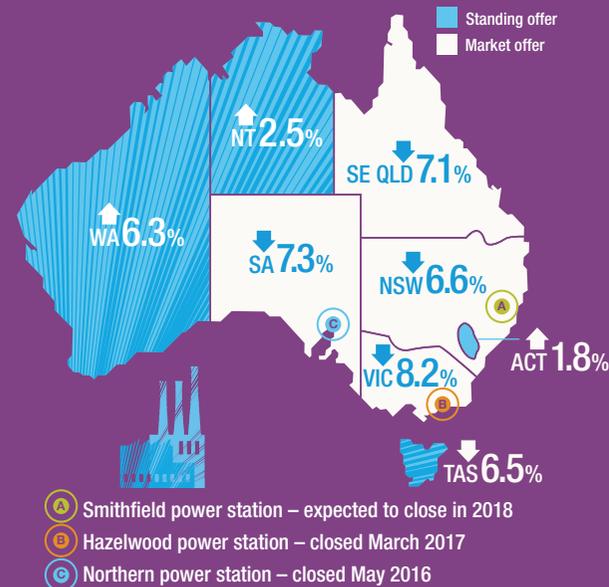
National prices are estimated to fall by 6.2% each year on average over the next two years from July 2018. Consumers are riding a power price rollercoaster driven by changes in generation.

MIXED SIGNALS ARE DRIVING WHOLESALE PRICE VOLATILITY

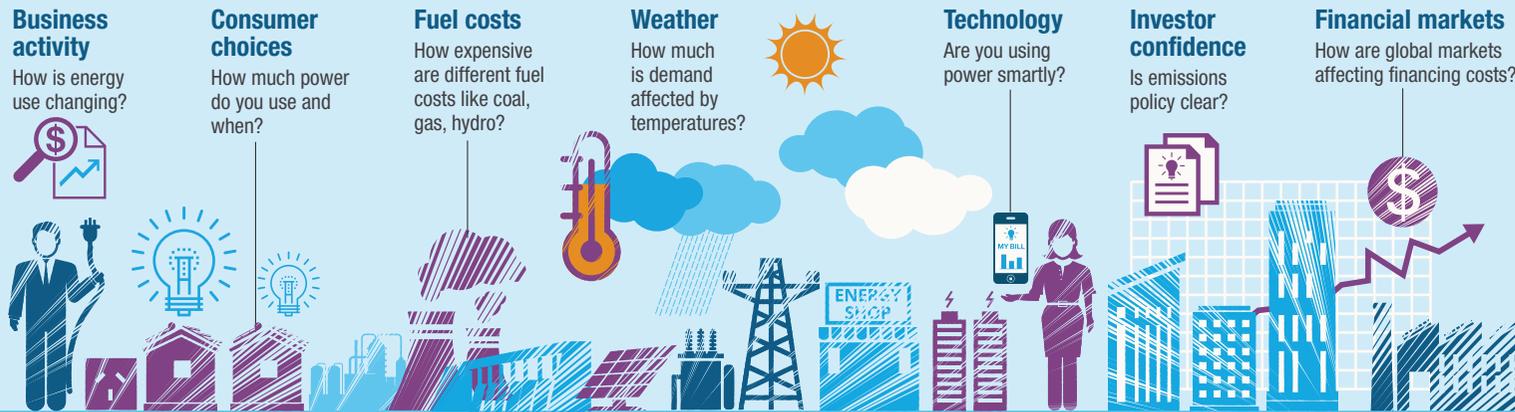
The single biggest reason for electricity price changes is structural change in the wholesale generation sector



AVERAGE ANNUAL PRICE TRENDS BETWEEN JULY 2018–2020



WHAT OTHER FACTORS INFLUENCE HOW MUCH WE PAY?



ELECTRICITY COSTS – NATIONAL TRENDS

TREND	BILL COMPONENT
VOLATILE	Wholesale costs Costs of generating electricity 30%–40% of bill
FLAT	Networks costs Poles and wires costs set by regulator revenue determinations 40%–55% of bill
RISING	Environmental and system security costs Direct costs of government schemes like the renewable energy target 5%–15% of bill
CPI	Residual retailer costs risks and errors 5%–15% of bill