

Default offer extended to Victorians in embedded networks

28 July 2020

Electricity and gas

All Victorians now have access to a fairer electricity deal with the [Victorian Default Offer](#) being set as the [new maximum price for electricity sold to embedded network customers](#).

The decision, made by the Essential Services Commission, means around 104,000 residential, caravan park and retirement village customers and 14,400 small business customers in embedded networks could save hundreds of dollars a year on bills.

The Victorian Default Offer, introduced in 2019 as part of reforms introduced by the Victorian Government to make energy more affordable for households, reflects the independent regulator's view of the efficient price of supplying electricity in Victoria.

The commission's pricing director Marcus Crudden says the change will give additional protections to Victorians living in embedded networks.

"Embedded network customers have not been fully covered by the same price protections as other Victorians. This ensures they now have access to a fair deal with significant savings for some.

"From 1 September, residential embedded network customers could save between \$180 to \$360 while small businesses could save \$900 to \$2200 annually, based on the current default offer," he said.

Estimated savings are based on an assessment of the expected impact of the current Victorian default offer on standing offer prices as of May 2019.

The commission is currently undertaking its annual review of the default offer, with any changes to apply from 1 January 2021. A draft decision on the proposed price for 2021 will be released for consultation in August.

Embedded network operators can still offer customers deals below the maximum price.

The new pricing for embedded networks will commence on 1 September 2020.

Indicative annual bill (domestic customers)

Comparison between local area retailers standing offer tariffs (27 May 2019) and the Victorian Default Offer 2020 (based on annual consumption of 4,000 kWh - GST inclusive, all figures rounded to the nearest dollar)

Retailer	Local area retailers standing offer tariffs	Victorian Default Offer 2020	Saving per year
Jemena	\$1,779	\$1,496	\$283
United Energy	\$1,687	\$1,508	\$179
Powercor	\$1,890	\$1,517	\$373
Citipower	\$1,658	\$1,420	\$238
Ausnet	\$2,007	\$1,646	\$361

Indicative annual bill (Small businesses)

Comparison between local area retailers standing offer tariffs (27 May 2019) and the Victorian Default Offer 2020 (based on annual consumption of 20,000 kWh - GST inclusive, all figures rounded to the nearest dollar)

Retailer	Local area retailers standing offer tariffs	Victorian Default Offer 2020	Saving per year
Jemena	\$7,619	\$6,240	\$1,379
United Energy	\$8,243	\$6,368	\$1,875
Powercor	\$7,952	\$5,746	\$2,206
Citipower	\$6,722	\$5,823	\$900
Ausnet	\$9,205	\$7,849	\$1,356

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