

Falling wholesale electricity pushes default offer down

Falling wholesale electricity prices are behind the state's energy regulator cutting the default electricity offer by about five per cent.

Victorian households on the default electricity offer will see their annual bills dropping by an average \$70 per year from 1 January 2022 while small business customers will save an average \$336 a year.

Essential Services Commission pricing director Marcus Crudden says the decision will provide bill relief to around 200,000 households and 50,000 small businesses.

"The reduction to the default offer follows a careful assessment of the costs involved in supplying electricity to customers.

"The fall in the default offer is mainly driven by lower wholesale electricity purchase costs, with lower prices flowing through to Victorian households and small businesses on the default offer from the start of 2022," he said.

The commission's decision also applies to an additional 140,000 customers in embedded networks, such as those in apartment buildings and caravan parks, where the default offer is the maximum that can be charged.

Mr Crudden says while the reduction in the default offer is welcome news for those who don't want to or are unable to engage in the market, there are better deals available if you shop around.

"With Victoria's competitive energy market, it is possible to find better deals than the default offer.

"We encourage customers to contact their retailer to check if they are on their best deal, or visit Victorian Energy Compare the state's independent energy price comparison site," he said.

The Victorian Default Offer was introduced in 2019 as a simple, trusted and fair priced option for electricity for customers who are unwilling or unable to engage in the energy market. Set by the Essential Services Commission, the default offer arose from reforms introduced by the Victorian Government following a [bipartisan review of Victoria's electricity market](#).

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Victorian default offer fixed flat tariffs for general usage and general usage + controlled load usage – domestic customers

Distribution zone	Supply charge (\$ per day)	Usage charge structure	Usage charge (not controlled load) (\$ per kWh)	Usage charge: controlled load (\$ per kWh)
AusNet Services	\$1.2600	Block 1 (up to 1020 kWh during a quarter) Block 2 (> 1020 kWh during a quarter)	\$0.2649 \$0.2811	\$0.1834
CitiPower	\$1.2023	Anytime	\$0.2171	\$0.1542
Jemena	\$1.1491	Anytime	\$0.2307	\$0.1756
Powercor	\$1.3459	Anytime	\$0.2235	\$0.1578
United Energy	\$1.0634	Anytime	\$0.2242	\$0.1590

Charges include GST

Victorian default offer fixed flat tariffs for general usage for period from 1 January 2022 to 30 June 2022 – small business customers

Distribution zone	Supply charge (\$ per day)	Usage charge structure	Usage charge (\$ per kWh)
AusNet Services	\$1.3356	Block 1 (up to 1020 kWh during a quarter) Block 2 (> 1020 kWh during a quarter)	\$0.3016 \$0.3335
CitiPower	\$1.3876	Anytime	\$0.2141
Jemena	\$1.3848	Anytime	\$0.2457
Powercor	\$1.4613	Anytime	\$0.2257
United Energy	\$1.1521	Anytime	\$0.2225

Charges include GST