

Victorians could save on default electricity offer price

Victorian small business and residential customers on a default electricity offer could see their annual bills reduced by at least five per cent, under a proposal by the state energy regulator.

In a [draft decision](#) released today by the Essential Services Commission, the Victorian default offer set by the regulator would fall on average by seven per cent or about \$370 a year for small business, and five per cent or about \$75 per year for households from 1 January 2022.

Commission pricing director Marcus Crudden says the proposed reduction to the default offer follows a careful assessment of the costs involved in supplying electricity to customers.

“Our analysis shows the cost of providing electricity to customers has fallen since we last set the default offer, most notably wholesale costs.

“These savings are reflected in the draft decision,” he said.

The Victorian default offer has been in place since 1 July 2019 and provides all households and small businesses with access to a fair price for electricity. Currently, around 200,000 households (seven per cent) and 50,000 small businesses (16 per cent) are on the default offer.

Mr Crudden said while the proposed reduction in the default offer would help many at this challenging time, customers should also shop around for a better deal.

“There are many electricity offers available that are lower than the default offer, so 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 commission is seeking feedback from stakeholders on its draft decision. As well as considering feedback, the commission will also update market-based data including wholesale costs for its final decision which is due out in late November 2021.

Interested stakeholders can attend a virtual public forum 23 September 2021 and submissions will close on 8 October 2021. Details will be published on [Engage Victoria](#).

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