

Victorian Default Offer – ESC draft advice

Media briefing

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What is the Victorian Default Offer (VDO)?

- Every Victorian household and small business will be able to ask for the Victorian Default Offer from their electricity retailer from 1 July
- The price of electricity under the default offer will be set by the Essential Services Commission, not the energy companies
- The price of the default offer will vary depending on the customer's location (there are five distribution zones in Victoria)
- Customers on a standard contract (or standing offer) will automatically transfer on to a default offer on 1 July

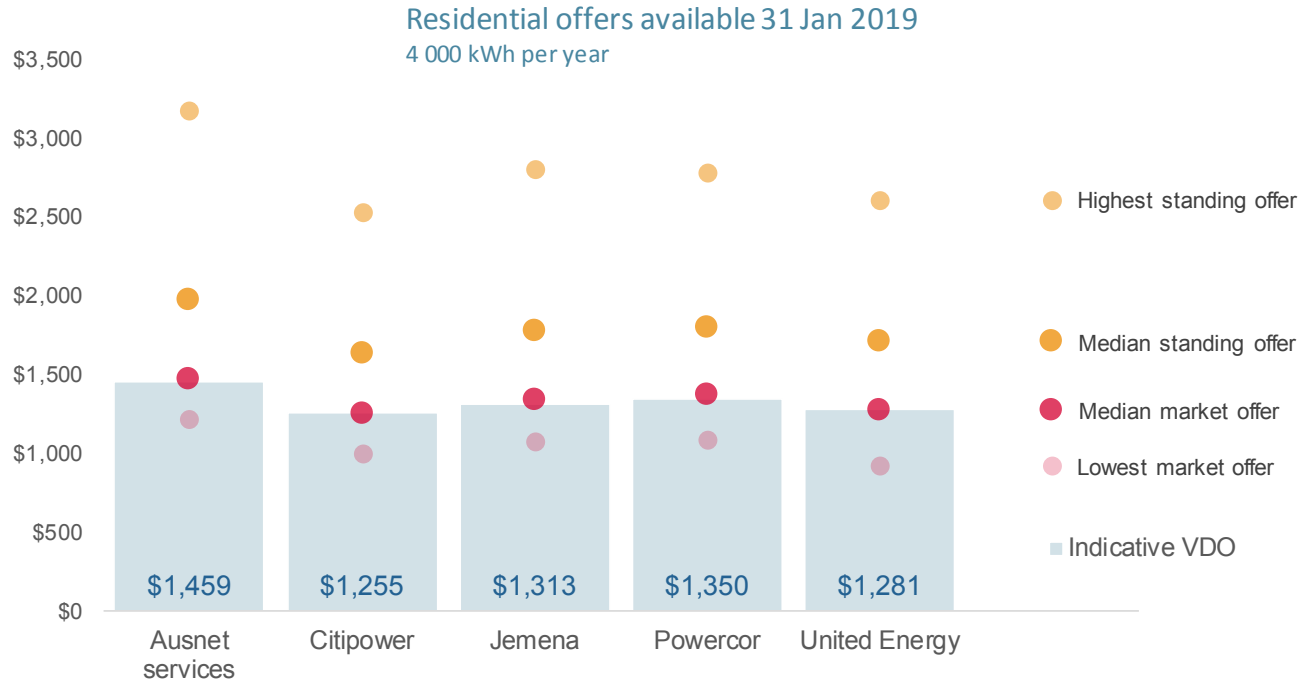
All of the above remains subject to legislation passing through parliament

Summary of draft advice

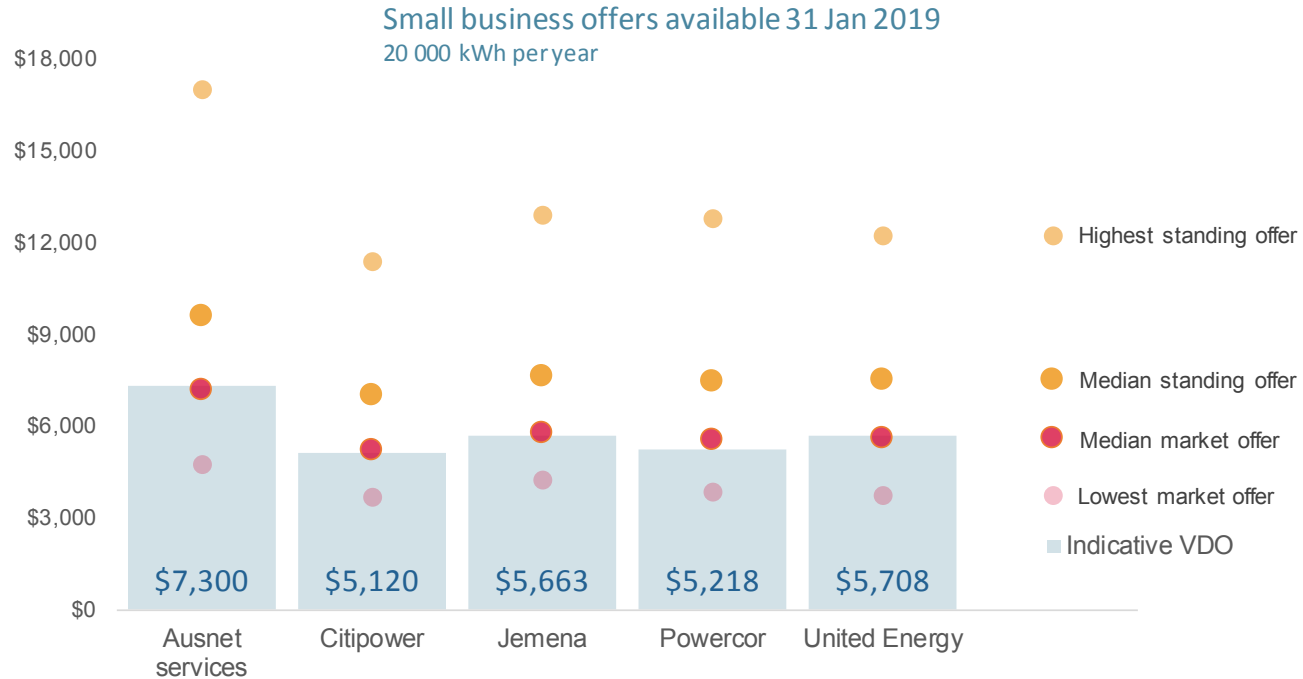
- Under the proposed Victorian Default Offer, a typical residential customer (using 4,000 kWh per year) on a standing offer will save **\$390 to \$520** from 1 July*
- The proposed Victorian Default Offer would save a small business customer (using 20,000 kWh per year) on a standing offer **\$1,830 to \$2,300** from 1 July*

* Compared with the median standing offer in each distribution zone (at 31 Jan 2019)

VDO compared to residential offers



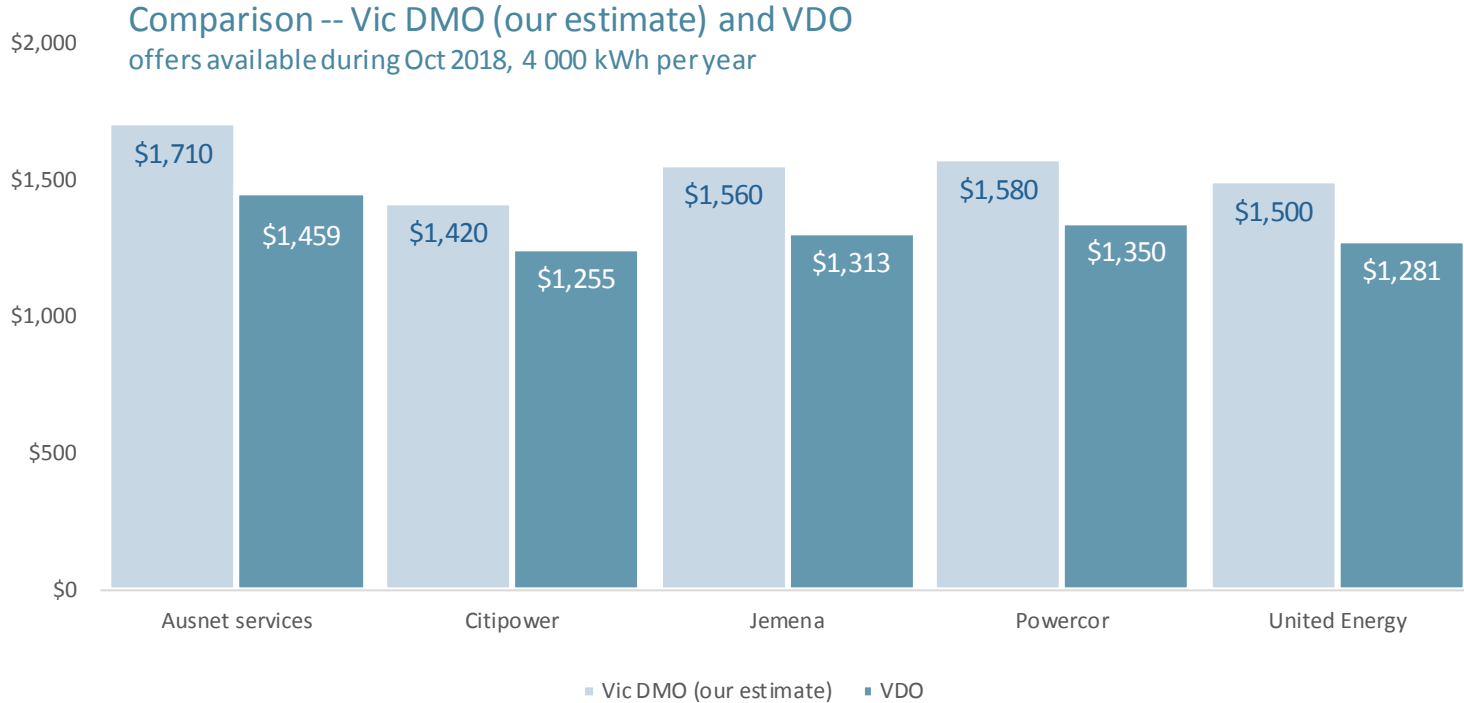
VDO compared to small business offers



Estimated bill reduction for residential standing offer customers due to VDO* – by selected electricity usage

Distribution zone	2 000 kWh	4 000 kWh	8 000 kWh
Ausnet services	\$320	\$520	\$870
Citipower	\$230	\$390	\$720
Jemena	\$300	\$470	\$860
Powercor	\$270	\$450	\$890
United Energy	\$270	\$430	\$710

VDO compared to our estimate of the Default Market Offer



Next steps

- **Late March:** workshop and public forum
- **3 May:** final advice due to government
- **1 July 2019:** Subject to passage of legislation VDO available to customers

Other regulatory reform work

Helping customers engage confidently in the retail energy market

- Fact sheets for customers – quick reference guide for customers
- Customer read estimates – new rules to make it easier for customers to provide a self-read of their meter to retailers

Keeping customers informed about best offers and changes that impact bills

- 'Best offer' information for energy consumers
- Prior warning of bill changes
- Clear advice before a customer signs a new energy deal