

Checklist for Choosing an Energy Provider

How does your energy retailer stack up? As you can see it is more complicated than just looking at the cost per Kilowatt hour or at a savings estimate. This checklist can help you discover the true cost and help you avoid unexpected costs.

Bundled pricing

- Can you easily determine the cost of peak rates, off peak rates and the daily supply charge?
- Are there other charges, and if so, are they explained clearly?
- Is there is a minimum consumption charge or a minimum daily charge? If so, how do they work?
- Are there any contract set-up or new meter charges, and if so, what are they?

What's included?

- Are Network charges included?
- Are there any excess demand charges?
- Are there any Environmental Charges?
- Are there any Market & Ancillary Charges?

Price Changes:

Most retailer have the provision to pass through changes in costs when there is a change in law or electricity regulations.

- Sometimes retailers may be aware of impending increases however quote based on today's costs knowing there will be a variation after the contract starts – has the retailer identified any increases and are they included?
- Network tariff changes – will these pass through or are these included?
- Are Capacity charges based on today's cost? Will the annual changes in Capacity charges be passed through?
- Are Environmental Charges based on today's cost? Will the annual changes to the Renewable Energy Target (RET) be passed through?
- Are Market & Ancillary Charges based on today's costs? Are any changes passed through?
- Are there price changes / increases for solar installation?

Unbundled Pricing

- Can you easily determine the cost of peak rates, off peak rates and the daily supply charge?
- Are there Network tariffs (costs for accessing the network)?
- Is there are a Capacity Charge?
- Are there excess demand charges?
- Are there any Environmental Charges?
- Are there any Market & Ancillary Charges?
- Are there any other charges?
- Is there is a minimum consumption charge or a minimum daily charge? If so, how do they work?

Price Changes

- Network tariffs – will the retailer review and optimise the tariff?
- Are Environmental Charges based on today's cost?
- Will changes in LGC/STC prices and Renewal Power Percentage (RPP) / Small Scale Technology (STP) be passed through?
- Are there price changes / increases for solar installation?



Things to know before signing up for your electricity supply.

Make sure you know what you are signing up for when agreeing to a new electricity contract for your business. As you can see it is more complicated than just looking at the cost per Kilowatt hour or at a savings estimate.

At Change Energy, our energy analysts go to work for you to determine the best option for your business. As an energy retailer, we do the hard work to ensure we give you clarity on how much your energy will cost your business, and how we can save you money.

Many things contribute to your electricity price including machinery, refrigeration, heating/air conditioning, lighting, office space, and hours of operation. Two buildings can look the same but have dramatically different energy usage. When electricity is used (peak/off peak) is an important factor in determining the cost.

This checklist can help you discover the true cost and help you avoid unexpected costs.

Bundled or Unbundled Pricing?

Electricity retailers can offer Bundled and Unbundled pricing to their business customers. Bundled pricing means that all of the different components that go into the cost of electricity (energy, network charges, capacity charges and environmental charges) are bundled into the energy rates. Unbundled pricing means that all of the individual components are passed through to the customer.

Typically, customers spending between \$12,000 to \$60,000 per year on electricity will receive Bundled pricing offers from retailers.

However, if you can control your electricity usage or have back-up generators you may be able to realise significant reductions on some of the components of electricity costs that will be passed on to you if you chose Unbundled Pricing.

Other terms you should know:

Peak period

8am to 10pm weekdays.

Network tariffs

A charge payable to the network operator (Western Power) for using the electricity grid.

Capacity Charges

Charges payable to generators in order to have generation capacity available at during the summer peak.

Demand tariffs

A charge based on your peak usage.

Environmental Charges

Charges payable in order to comply with the government's Renewable Energy Target.

STC/LGCs

Small Technology Certificate/Large Generation Certificate – the subsidies paid to solar and wind generation to comply with the Renewable Energy Target.

Renewal Power Percentage (RPP)/Small Scale Technology (STP)

The percentage of electricity to be sourced from renewable generators under the Renewable Energy Target.

Market & Ancillary Charges

A fee charged by the market operator.

