



Energy Retailers Association
of Australia Limited

MEDIA RELEASE

Friday 28 May, 2010

ENERGY RETAILERS SUPPORT INDEPENDENT PRICING DETERMINATION AND INCREASED COMPETITION

Today's announcement by the Queensland Competition Authority (QCA) that electricity prices to regulated customers will rise by 13.29% from July 1, 2010 is a necessary response to industry cost pressures, the Energy Retailers Association of Australia (ERAA) said.

ERAA Executive Director Cameron O'Reilly emphasised that regulated electricity prices are determined independently through the Benchmark Retail Cost Index (BRCI) administered by the QCA, and the index is overwhelmingly driven by generator and network infrastructure costs.

Most (61%) of the underlying market cost pressures apparent in today's BRCI flow from critical investment in distribution and transmission networks to maintain electricity supply reliability.

"Retailers active in Queensland are keen to offer customer choice and competition, but to deliver this they first need scope to deal with underlying costs," Mr O'Reilly said.

"According to figures provided to the ERAA by the VaasaETT Global Energy Think Tank, which monitors retail markets worldwide, in 2009 around 15% of Queensland electricity customers switched supplier."

"With electricity hard to differentiate most of those consumers switched for better price deals, and following the regulated price rise from 1 July, 2010 we would urge Queenslanders to shop around for the best market contract offers available from the retailers competing in the Queensland market".

"Ultimately competition rewards the active and informed consumer and we would therefore urge consumers to take advantage of the choice provided by the policy of full retail competition introduced by the Queensland Government in 2007", Mr O'Reilly said.

FOOTNOTE:

The Benchmark Retail Cost Index (BRCI) is used by the independent regulator – the Queensland Competition Authority - to determine retail electricity prices for Queensland households.



About ERAA

The Energy Retailers Association of Australia (ERAA) is the peak industry body representing retailers of electricity and gas in Australia's National Electricity Market (NEM) and national gas market. Member companies operate in all the States of Australia and have over 11 million customers. The members include AGL Energy, Origin Energy, TRUenergy, Energy Australia, Integral Energy, Country Energy, Aurora Energy, Australian Power & Gas, Queensland Electricity, Simply Energy, Momentum Energy, Red Energy, Alinta Energy, ERM Power, Horizon Power, Power and Water, Synergy and ActewAGL.