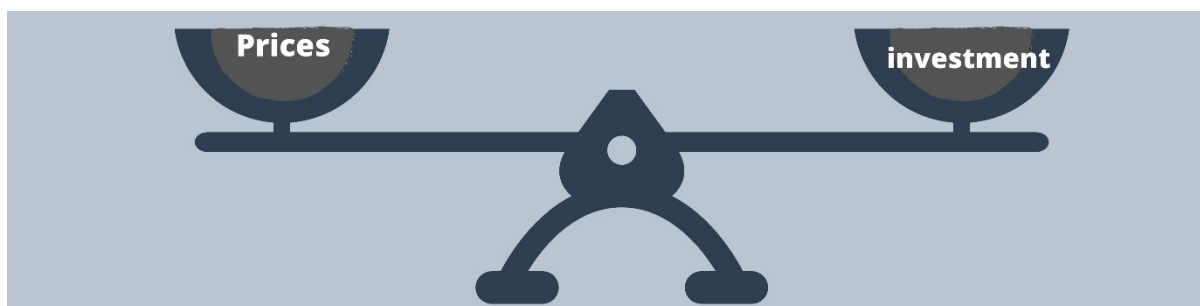


AER Consumer Reference Group

The Link between Prices and Energy Network Investment

The poles, wires and pipeline energy businesses have a cap set on how much money they can recover from consumers. The cap is set by the Australian Energy Regulator (AER). As part of the process of setting this cap, the AER considers the balance between prices and the need for continued investment.



Prices

Energy consumers do not want to pay unnecessarily high prices to get the energy services they value.

SA Power Networks recently reported a key priority for South Australian consumers is to:

“Keep prices down”

Energex and Ergon Energy stakeholders in Queensland recently liked:

“Headline price reductions”

The economic impact of COVID-19 is likely to have made energy consumers even more price sensitive, as unemployment rises and more people are working from home.

Investment

The poles, wires and pipeline energy businesses need to secure funds to be able to continue to deliver energy services. This is known as attracting investment.



This attraction of necessary funds comes at a cost to energy network businesses and customers

AER Decision

Every four years, the AER consults with consumers, energy businesses, investors and other stakeholders on how it should decide the expected cost of investment funds for energy network businesses. The AER has recently outlined the steps it will take to deliver its next decision on this in 2022. The decision will be known as the 2022 Rate of Return Instrument.

What does this mean for consumers?

The decision on the Rate of Return can have a major impact on energy prices.

Questions for consumers:

- How has the COVID-19 pandemic impacted your ability to manage your energy bills? Do you see this changing in the future?
- Have you moved to adopt technology to assist you to better manage energy costs?
- Would you like to be involved in discussions about your future energy bills?

More Info

The AER has set up a Consumer Reference Group to work with them on the [Rate of Return Instrument 2022](#) by providing independent advice. The Consumer Reference Group has members from diverse backgrounds. Members of the Consumer Reference Group welcome discussion of these questions with you. You can contact the CRG at ConsumerReferenceGroup@aer.gov.au