

18 March 2021

Retail Electricity Prices Review – Determination of Default Market Offer Prices 2021/22

At the request of the AER, SA Power Networks is providing feedback on the Draft Determination of Default Market Offer Prices 2021/22 published 17 February 2021.

SA Power Networks agrees with the intent of the Determination but would like to highlight the differences between a Non-Reset Year and Reset Year.

In a Non-Reset Year, the Annual Pricing Proposal (APP) Network tariffs can be incorporated into the Default Market Offer (DMO). 2021/22 is a Non-Reset Year for SA Power Networks.

During a Reset Year, the APP cannot be completed until after 30 April as it is dependent on the Reset outcome. For SA Power Networks this was the position in 2020. As such it would not have been possible to incorporate our APP into the DMO.

It should also be noted that issues may arise in years when the Transmission Network Resets occur. The South Australian Transmission Network provider, ElectraNet, has their next Reset in 2023/24. In 2018/19 (the previous Reset), ElectraNet were able to issue prices before the Final Decision using the Draft Decision. It is unlikely from a Distribution Network perspective that the Tariff Structure Statement would be approved early enough to enable the same solution.