

# 2021 VCR Annual Adjustment

The Australian Energy Regulator (AER) has updated the 2020 Values of Customer Reliability (VCR) values to 2021 values based on Consumer Price Index increase of 3.01 per cent. The annual adjustment mechanism is based on yearly movements in the September quarter CPI and is set out in the final decision on methodology.

The adjusted VCR values are contained in new versions of Appendices A-E and Appendix F to the final report. Annual CPI adjustments to the VCR based on this methodology will continue until the next VCR review due by 31 December 2024

## The VCR values

### Residential customer VCRs by Climate Zone and Remoteness in \$/kWh - \$2021

| Residential customer segment      | Applicable State or Territory                  | Residential VCR \$ 2021 |
|-----------------------------------|--|-------------------------|
| Climate Zone 1 Regional           | Queensland (QLD)                               | 24.84                   |
| Climate Zone 2 CBD & Suburban     | QLD, New South Wales (NSW)                     | 23.80                   |
| Climate Zone 2 Regional           | QLD, NSW                                       | 26.51                   |
| Climate Zone 3&4 Regional         | QLD, NSW, Victoria (VIC), South Australia (SA) | 27.45                   |
| Climate Zone 5 CBD & Suburban NSW | NSW  | 30.37                   |
| Climate Zone 5 CBD & Suburban SA  | SA   | 34.46                   |
| Climate Zone 5 Regional           | QLD, NSW, SA                                   | 25.48                   |
| Climate Zone 6 CBD & Suburban     | NSW, VIC, SA                                   | 22.04                   |
| Climate Zone 6 Regional           | QLD, NSW, VIC, SA                              | 22.58                   |
| Climate Zone 7 CBD & Suburban     | ACT, VIC                                       | 22.18                   |
| Climate Zone 7 Regional           | NSW, VIC, Tasmania (TAS)                       | 17.60                   |
| Northern Territory (NT)           | NT   | 18.99                   |

## Residential customer VCRs by state/territory in \$/kWh - \$2021

|                          | NSW   | VIC   | QLD   | SA    | TAS   | ACT   | NT    | NEM   |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| AER 2021 residential VCR | 26.82 | 22.23 | 24.65 | 31.44 | 17.60 | 22.17 | 18.99 | 24.98 |

## Business customer VCRs\* in \$/kWh - \$2021

|                                | Agriculture | Commercial | Industrial |
|--------------------------------|-------------|------------|------------|
| AER 2021 business VCR (\$/kWh) | 39.28       | 46.18      | 66.16      |

\*businesses using <10 MVA peak demand

## Very large business customers\* in \$/kWh - \$2021 – for business segments

|   | Services | Industrial | Metals | Mines |
|---|----------|------------|--------|-------|
| AER 2021 Very large business VCR (\$/kWh) | 10.93    | 122.39     | 20.60  | 36.47 |

\*Very large businesses using >10 MVA peak demand.

## Very large business customers\* (in \$/kWh - \$2021) – for transmission/distribution

|   | Transmission | Distribution |
|---|--------------|--------------|
| AER 2021 Very large business VCR (\$/kWh) | 27.43        | 58.80        |