



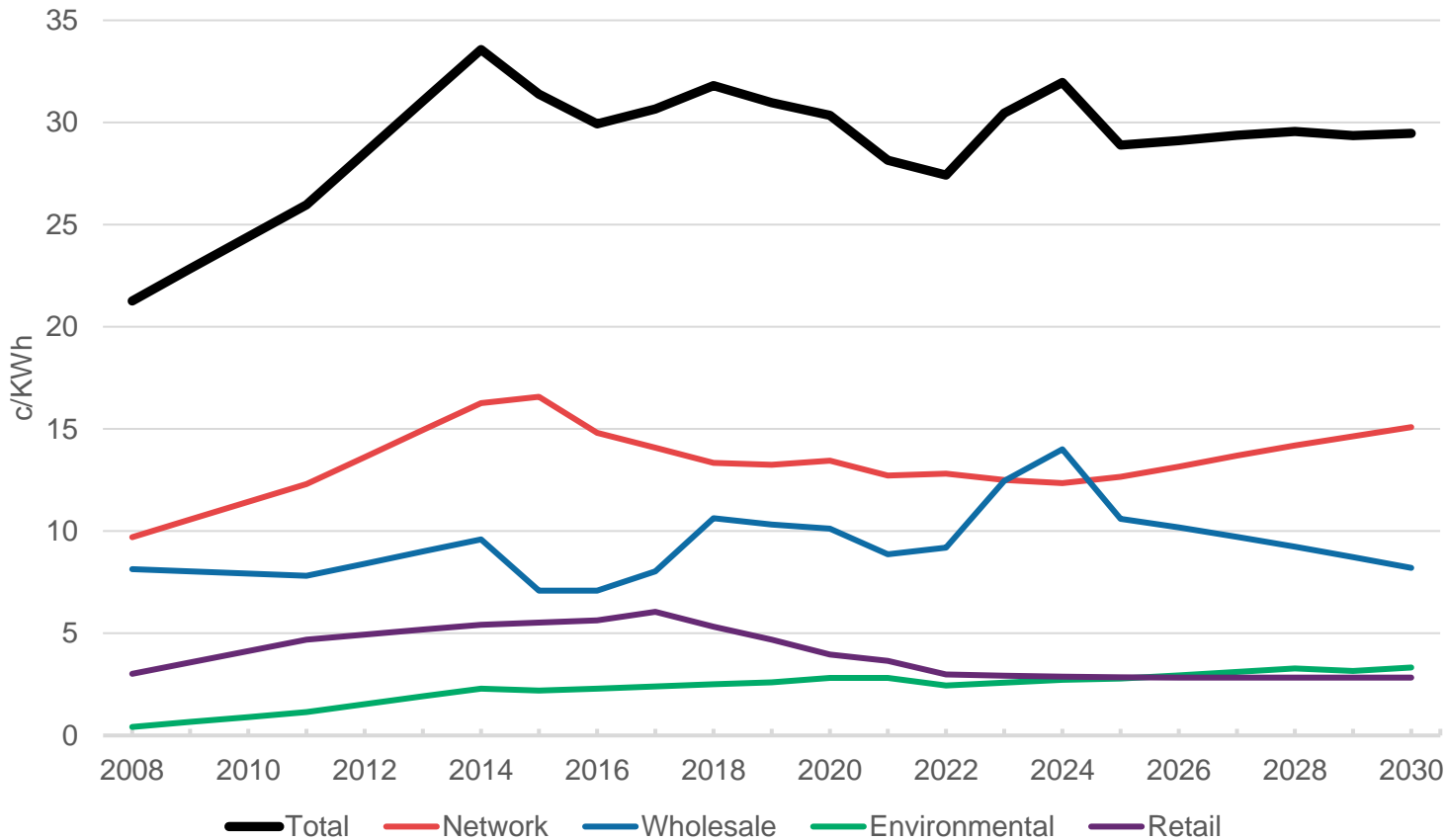
Consumer challenges in the energy transition

AER Public Forum on Rate of Return
Lynne Gallagher
CEO
27 July 2022

1 Outlook for prices



Actual and projected national NEM-wide average electricity prices



Source: 2008 to 2021 prices: ACCC, Inquiry into the National Electricity Market - Nov 2021 report, Dec 2021; 2022: AEMC, Residential Electricity Price trends 2021, Nov 2021; 2023 to 2030: ECA analysis. Prices are based on real \$March 2022, excluding GST and organised by Financial Year.

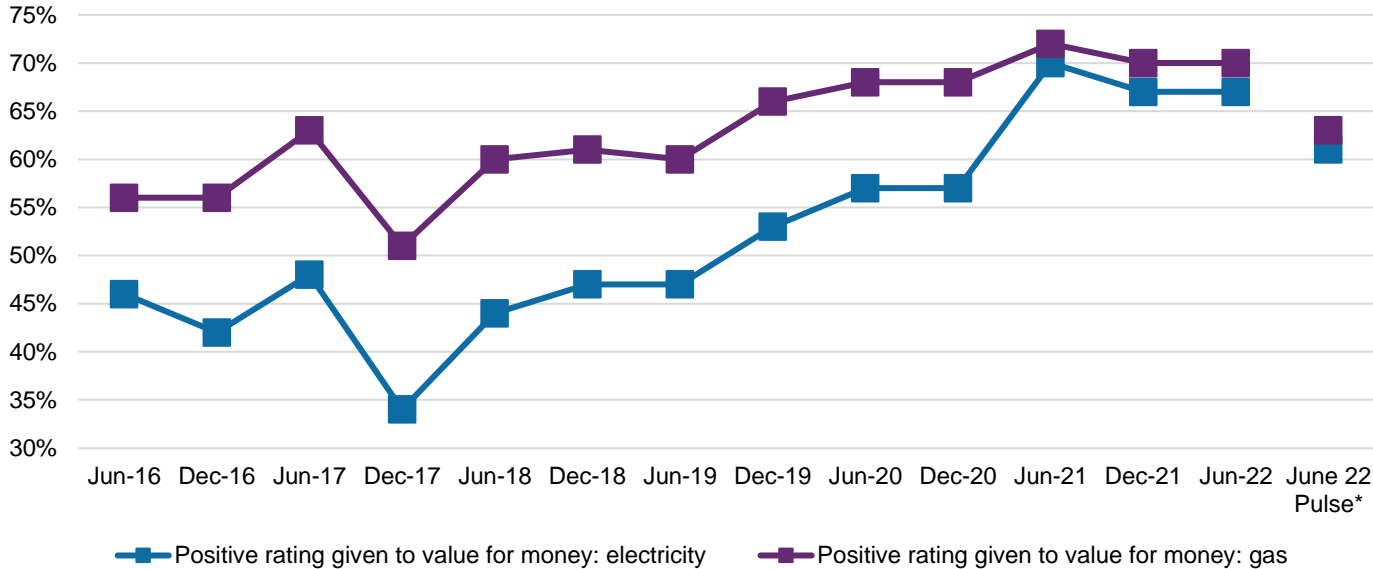
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Consumer confidence in value for money



Consumer confidence in receiving value for money for their energy is dropping

Proportion of consumers who gave positive rating to value for money for their energy



Q: How would you rate the overall value for money of the products and services provided by your electricity/gas company in the past 6 months?

Source: ECA, Energy Consumer Sentiment Surveys, June 2016 to June 2022

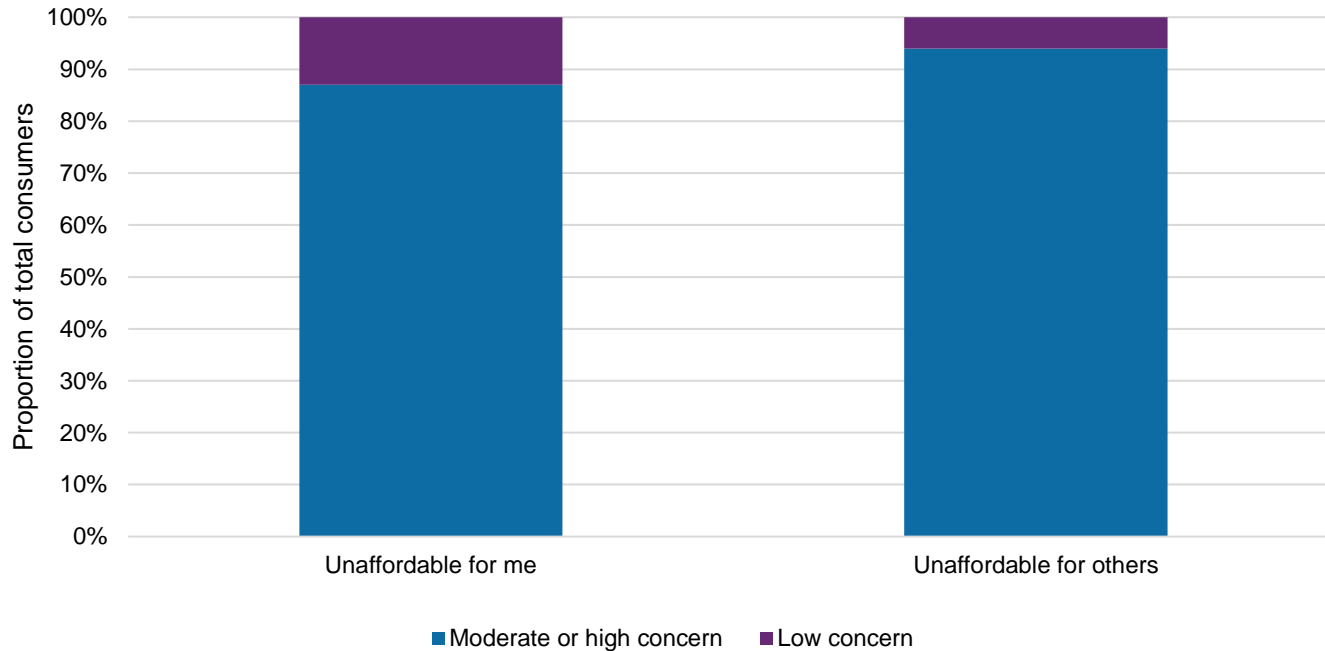
*June 2022 Pulse results were collected in June 2022. Jun-22 ECSS results were collected in March/April 2022

3 Consumers are concerned about affordability



Consumers are very concerned about energy becoming unaffordable

How concerned are you that in the next three years energy will become...?



Q: How concerned, if at all, are you that in the next 3 years...? **Electricity and gas will become unaffordable for some Australians**

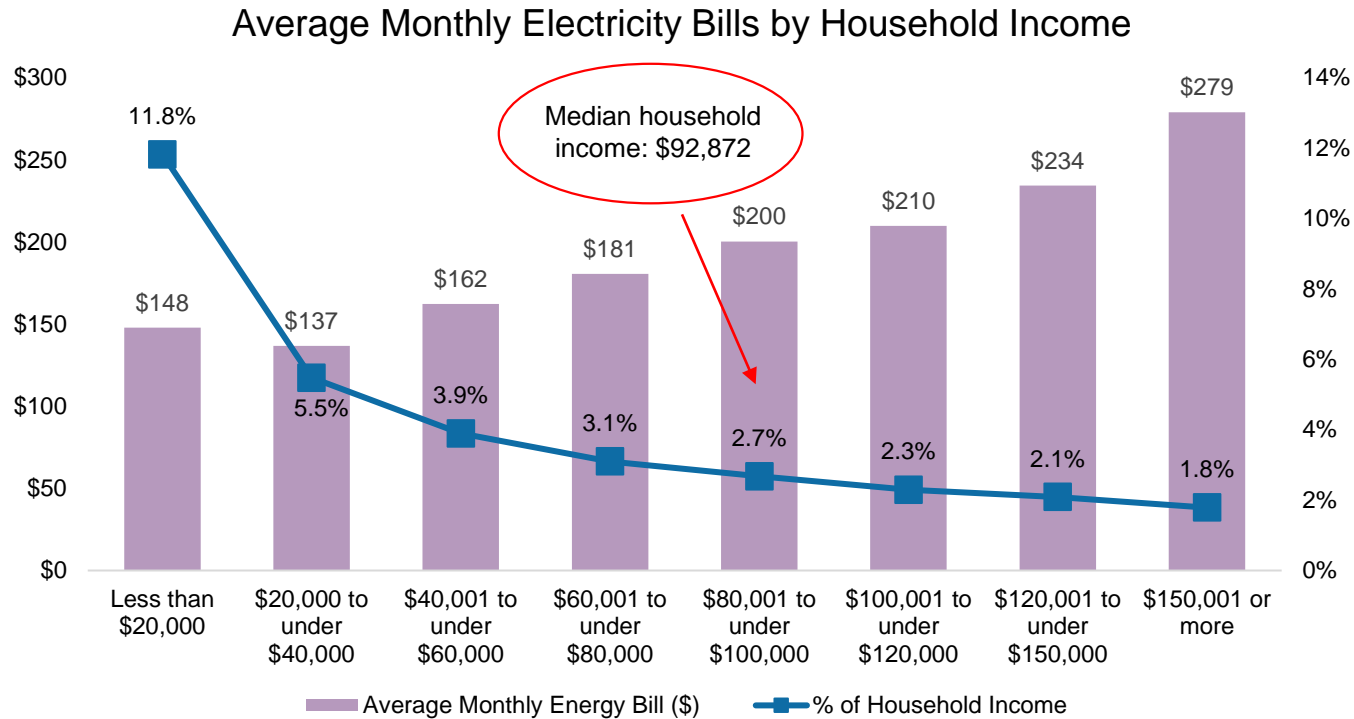
Source: ECA, June 2022 Pulse survey

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The household energy divide is widening

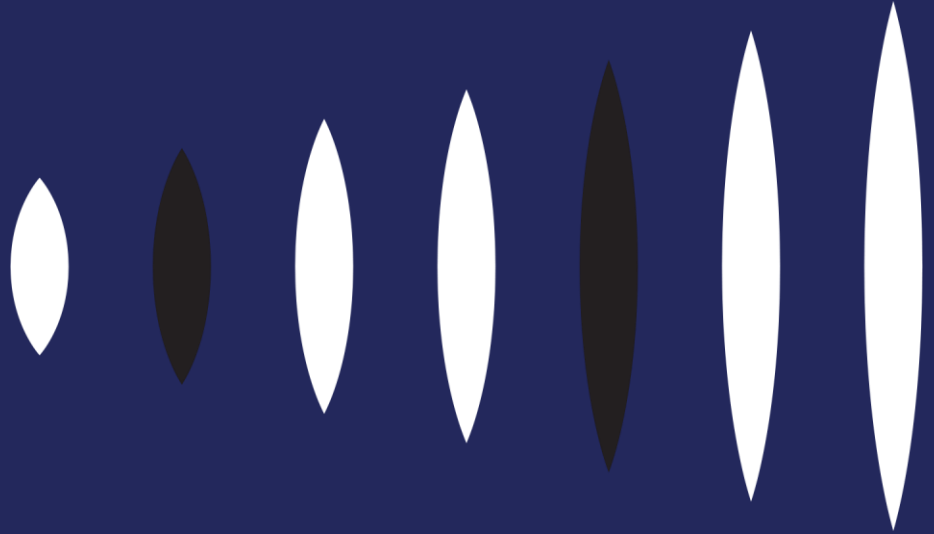


The energy divide is large and widening



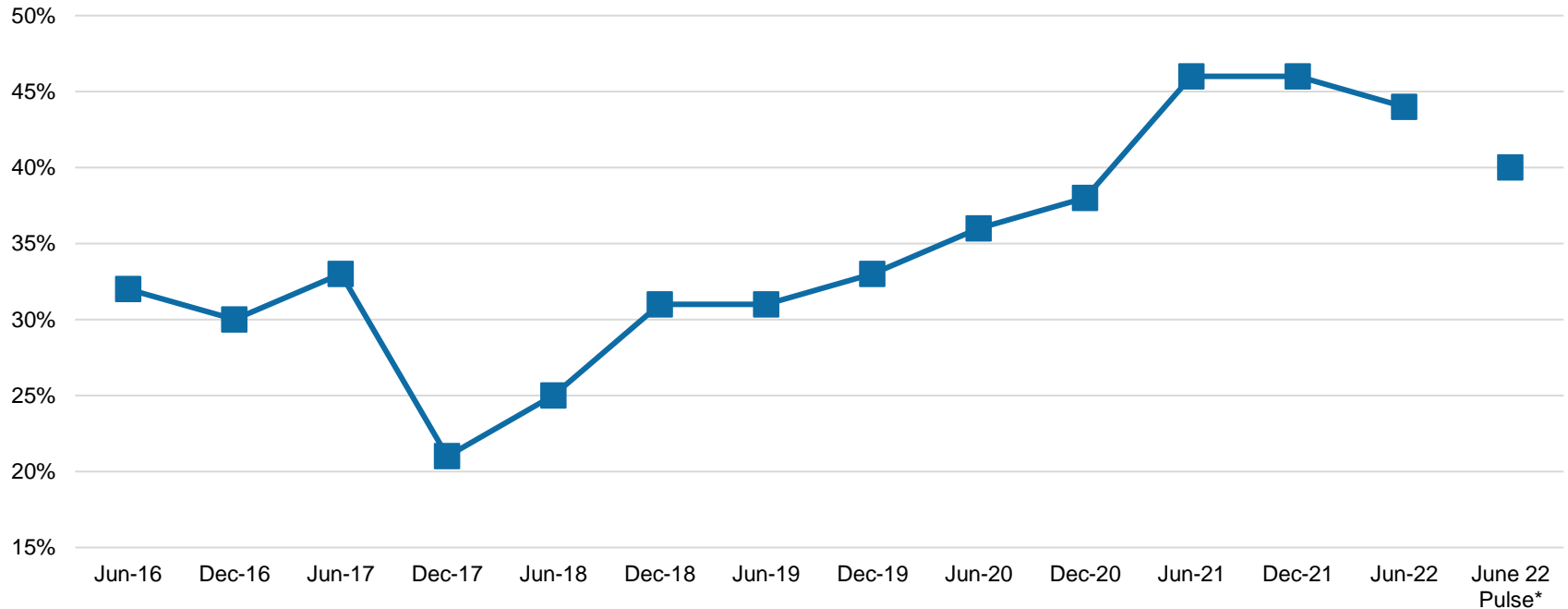
Source: ECA, June 2022 Energy Consumer Sentiment Survey

5 Consumer confidence in the market is not high



Only 40% of consumers say the energy market is working for them

Proportion of consumers who are highly confident that the market is working in their long-term interests



Q: How confident are you that the overall market is working in your long-term interests? By 'the market' we mean, the energy industry and energy regulators.

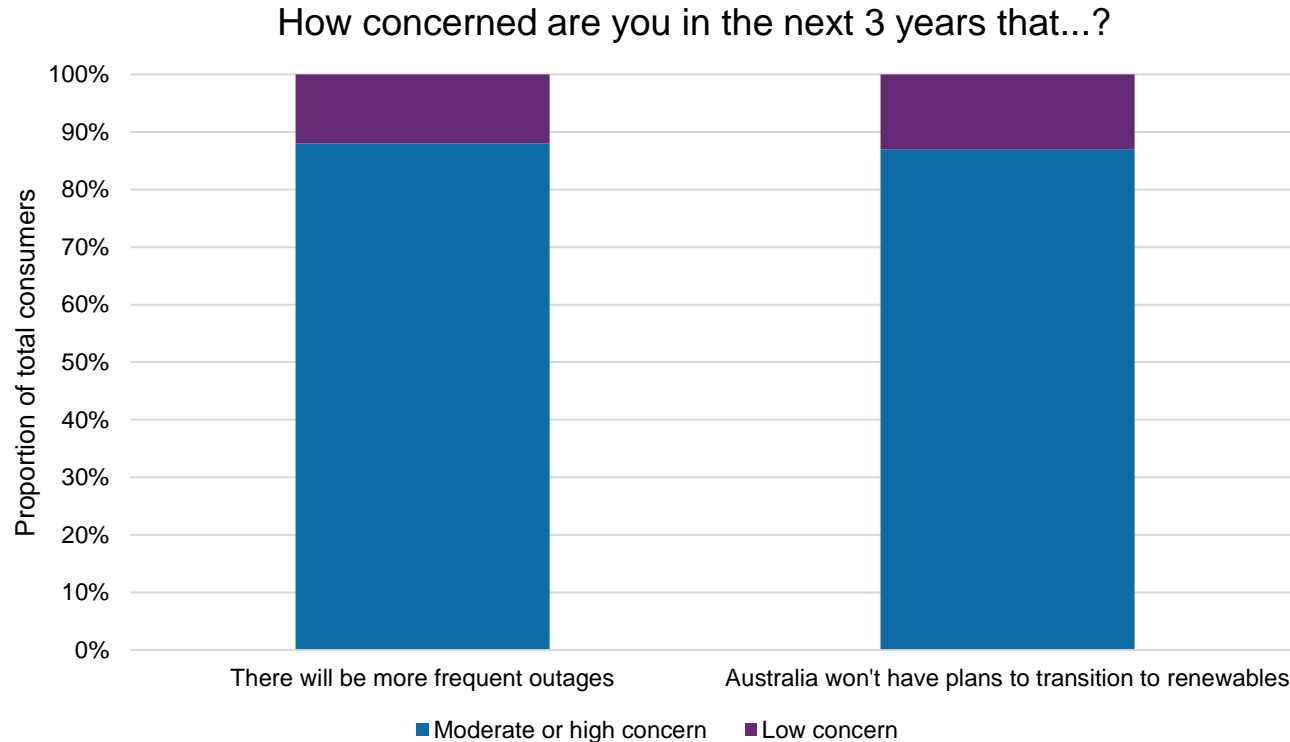
Source: ECA, Energy Consumer Sentiment Surveys, June 2016 to June 2022

*June 2022 Pulse results were collected in June 2022. Jun-22 ECSS results were collected in March/April 2022

6 Consumers want a plan to keep the power on



Most consumers are concerned about the future of the market



Q: How concerned, if at all, are you that in the next 3 years...? Australia's energy system will not be resilient to extreme weather events and there will be frequent electricity outages / Australia won't have plans in place to transition to an energy system that is based on renewables

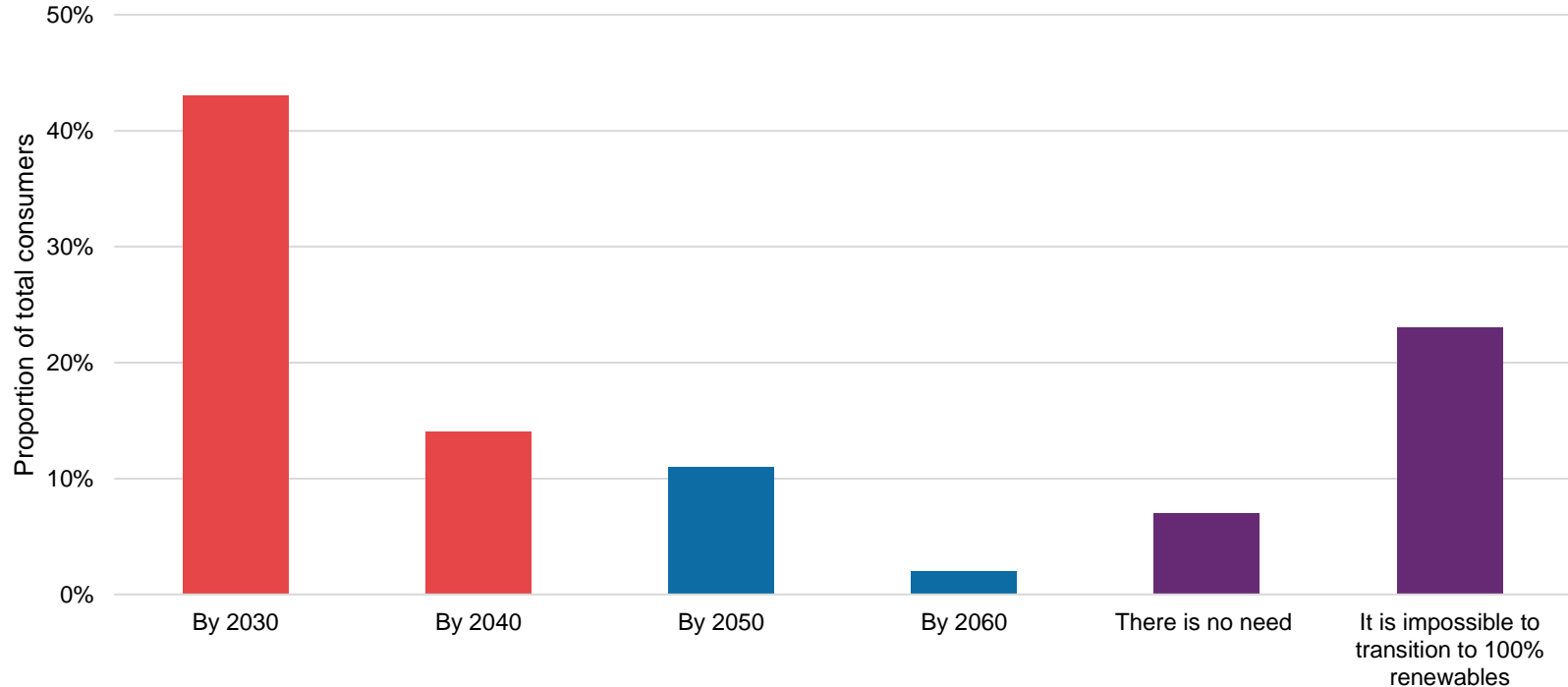
Source: ECA, June 2022 Pulse survey

7 Consumers have a view on the pace of change to a clean energy future



Most consumers want to transition to 100% renewables quickly

When should Australia aim to transition to 100% renewable energy?



Q: There has been a lot of debate about how fast the transition to renewable energy should be. Those debating for a fast transition argue that we need to transition immediately to avoid catastrophic consequences of climate change. While, those debating for a slower transition argue that it will be too costly to transition at a rapid pace because it will require expensive upgrades to existing infrastructure. Considering this, when do you think Australia should aim to transition to an energy market that is made up of 100% renewable energy?

Source: ECA, June 2022 Energy Consumer Sentiment Survey

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