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Minister for Aboriginal and Torres Strait Islander Affairs
Minister for Climate Change, Environment, Energy and Water
Minister for Disability, Carers and Community Services
Minister for Seniors and Veterans

Member for Yerrabi

Response to question on notice

Questions on Notice Paper No 13
31 October 2025
Question No. 718

Chiaka Barry MLA: To ask the Minister for Climate Change, Environment, Energy and Water

1. How are price increases to electricity in the ACT justifiable, given that in some cases people are seeing their total bill increase despite their usage dropping.

2. Why are electricity prices continually increasing by significant margins.

3. Why aren't the benefits of lower cost energy passed on to consumers, given we constantly hear that renewable energy is the cheapest form of energy and that the ACT uses 100 percent renewable electricity.

4. What would need to change in the ACT for consumers to see significant price reductions in the cost of energy.

5. Will the ACT Government advocate for an increase in the Australian Government Energy Bill Relief offset, given that it has not increased from the fixed $75 per quarter and given the excessive price increases Canberran consumers are having to bear.

SUZANNE ORR MLA - The answer to the Member's question is as follows:

1. Wholesale electricity prices are the result of a combination of electricity generation sources over the course of the day. During daylight hours wholesale prices are lowest, or even negative, due to the high penetration of solar electricity generation at this time. At other times of the day, electricity generation is dominated by fossil fuel sources when wholesale prices and consumer demand are much higher. The price of fossil fuel electricity generation is impacted by commodity prices, which are often impacted by events and issues outside of Australia.

   However, wholesale electricity prices are not the only driver of retail electricity costs in the National Electricity Market (NEM). Other network costs, including transmission and distribution costs, contributed around 35 per cent to retail Standing Offer prices in 2025-26. Transmission and distributions costs are costs that network service providers recover from all electricity consumers for network maintenance and upgrades that enable the efficient operation of an increasingly diverse and distributed electricity network.

   Electricity retailers will also try to purchase electricity in advance at set prices through derivative markets to avoid purchasing electricity through daily wholesale markets where spot market prices can fluctuate substantially.

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2. See response (1) above.

3. While renewable energy sources are able to produce electricity at lower costs than traditional fossil fuel generation, they are most prevalent during daylight hours and substantially replace fossil generation at that time. During this time of high renewables penetration wholesale electricity costs fall to their daytime lows and can often be negative. However, during these times consumer demand is also at its lowest.

   Consumer demand is mostly at its peak in the morning between around 6:00am to 9:00am, and again between around 4:30pm to 9:00pm when the contribution from solar generation has declined. At this time electricity generation is dominated by fossil fuel derived generation at a significantly increased price. The low wholesale electricity price achieved during the day from renewables dominated generation combined with the higher wholesale price at other times dominated by fossil fuel generation results in an overall higher price for consumers.

   The methodology the ACT Government adopts to achieve the 100% renewable electricity target is a market-based approach consistent with the Greenhouse Gas Protocol - an internationally recognised accounting standard. The ACT Government receives Renewable Energy Certificates (RECs) from eligible renewable energy generators located within the NEM and surrenders these to the Clean Energy Regulator (CER). The CER then cancels these RECs so that they cannot be re-used or re-sold. Information regarding the market-based accounting approach and the number of RECs surrendered to the CER is available in the Minister's annual report produced under the *Climate Change and Greenhouse Gas Reduction Act 2010*.

4. Electricity consumers in the ACT can reduce the costs of their electricity by investing in rooftop solar installations and battery storage technologies. These technologies allow consumers to generate, use or store electricity during the day and use the electricity at other times. The most effective use of electricity generated on-site is for household use before any excess is exported to the distribution network.

   The ACT Government offers the low-interest Sustainable Household Scheme (SHS) and Home Energy Support: Rebates for Homeowners Program (HESP) to eligible ACT residents and homeowners to make energy efficiency upgrades to their homes for a range of products including heating and cooling, electric vehicles (SHS only), hot water heat pumps, ceiling insulation, batteries (SHS only) and rooftop solar (HESP only).

   Additionally, electricity consumers in the ACT can save hundreds of dollars a year by switching from the regulated standing offer to the lowest market offer. Consumers should shop around to find the offer that is best for them.

5. The ACT Government supports the rebate provided by the Australian Government through the Energy Bill Relief Fund. However, any extension to the current arrangement is subject to the financial consideration of the Australian Government.

Approved for circulation to the Member and incorporation into Hansard.

Suzanne Orr MLA
Minister for Climate Change, Environment, Energy and Water **Date:** 21/11/25

This response required 3hrs to complete, at an approximate cost of $315.23.