

**SUPPLY OF ELECTRICITY FOR BUILDING AND FACILITIES  
UNMETERED STREETLIGHTING AND GREENPOWER (LGP 0811)**

**COMMERCIAL IN CONFIDENCE**

**Summary Evaluation and Analysis Report for Supply of Electricity for Large Sites; Building and Facilities  
Unmetered Street Lighting and Green Power for Participating NSW Councils.**

**IMPORTANT NOTE:**

Participating Councils are reminded that this report is copyright of Local Government Procurement (LGP) and the contents of this report are strictly confidential and are not to be disclosed or passed to another party without the written consent of Local Government Procurement (LGP).

Councils should note that tenderers have not yet been officially informed of the tender evaluation progress. The information contained in this report is not available to tenderers. This report is the Executive summary for the General Manager of each of the participating councils, or their delegated officer where that person has been specifically nominated.

**LGP does not authorise the report being distributed to any other person.**

**Tender Closed :**

Friday 27 April 2012

**Tenders Received and Evaluated:**

Five (5) tenderers from the Tender Panel submitted price offers.

They included submissions from:

1. AGL
2. TRUenergy
3. Origin Energy
4. ERM Energy (only for Buildings and Facilities)
5. COzero Pty Ltd ( only for Green Power)

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### LGP/CENTROC & TENDER PANNEL SUMMARY

1. Great result with submitted rates (c/kWh on the average Carbon Exclusive equivalent prices for peak, shoulder and off-peak energy component) 27% to 59% below the Maximum Price Acceptance Form rates (approved by councils) and also councils' current rates.

Large Sites (>160 MWh p.a) – Carbon Exclusive			
Price component (c/kWh)	Peak	Shoulder	Off-Peak
Max (as per price Acceptances Forms)	8.8842	8.8842	3.6263
Tender Result Average (ERM 3 year offer)	5.4919	5.9199	2.6410
% Difference	38%	33%	27%
Public Lighting – Carbon Exclusive			
Price component (c/kWh)	Peak	Shoulder	Off-Peak
Max (as per price Acceptances Forms)	8.5	8.5	4.5
Tender Result Average (AGL 3 year Offer)	3.4746	3.8160	3.213
% Difference	59%	55%	29%

2. For participating CENTROC councils, **savings on the contestable part of the electricity invoice are expected even after the Carbon Tax implementation.** Comparing existing rates with the best 36 month offer (both carbon inclusive), savings of ~24% for Buildings and Facilities and ~34% for Unmetered Public Street Lighting have been achieved on the contestable component of the electricity invoice. By comparing existing carbon exclusive rates with the best Carbon inclusive 36 month offer, savings of ~3.29% for Buildings and Facilities and ~12% for Unmetered Public Street Lighting have been achieved on the contestable component of their electricity invoice.
3. Great result for all other (non CENTROC) participating councils as well. Comparing existing rates with the best 36 month offer (both carbon inclusive), savings ranged from ~11.6% to ~21% for Buildings and Facilities and ~9.3% to ~31% for Unmetered Public Street Lighting have been achieved on the contestable component of their electricity invoice.
4. Whilst the raw retail energy rates are significantly lower than current rates, through the introduction of the Carbon Tax Scheme effective from 1<sup>st</sup> July 2012 (approximately 2.1 c/kWh increase on peak, shoulder and off-peak raw energy rates as explained in Attachment D) will reduce the savings achieved by councils, but these increases would have been incurred by councils irrespective of the tender process.

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5. Validity Periods: Both AGL and ERM offers expire on Thursday 3<sup>rd</sup> May 2012.
6. Action: Offer Acceptance must be provided to both retailers by Thursday 3<sup>rd</sup> May 2012. Not pursuing the offers before or on the 3<sup>rd</sup> May 2012 will result in offer expiry and re-tendering will need to take place. As electricity is a trading commodity and rates can change on a day to day basis, no guarantee can be provided of achieving the same results.

Participant response is required by no later than 10am Thursday 3 May 2012.

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### Buildings and Facilities

7. Four (4) retailers submitted offers. Details are in Attachment A.
8. Origin Energy provided the most competitive 24 month 'black energy' offer, being cheaper by \$102,901 from the next lowest offer (ERM). Its corresponding average cost was derived at 8.075 c/kWh for the first 12 months and 7.989 c/kWh for the overall 24month offer. Origin Energy validity period is to 4<sup>th</sup> May 2012 and has a load variation of only up to 110%.
9. Origin Energy provided the most competitive 30 month 'black energy' offer, being cheaper by \$155,943 from the next lowest offer (ERM). Its corresponding average overall cost was 7.935 c/kWh for the entire 30 month time period.
10. ERM had the most competitive 36 month 'black energy' offer being cheaper by \$515,448 from the next lowest offer (AGL). Its corresponding average overall cost was 8.147 c/kWh for the entire 36 months (0.606 c/kWh on average better than the next best offer and only 0.212 c/kWh premium in comparison to the best 30 month offer)

### Evaluation Outcome

11. For Contracts from 1 July 2012 the best value offer was the 36 month offer from ERM as there was very little premium from going from 30 month contract to a 36 month contract. By taking to account that
  - a. Origin Energy could not offer a 36 month offer;
  - b. The next best 36 month offer from AGL was 0.818 c/kWh higher than Origin's 30 month offer while ERM's 36 month offer was only 0.212 c/kWh higher; and
  - c. ERM's 36 month offer is better than any existing participating council rates on a 'like for like' basis i.e. carbon tax inclusive;

Securing lower raw energy rates for the longer term may be considered a more risk adverse approach as oppose to taking a shorter term agreement and risking higher rates in the 36 month period that can possibly remove any savings gained in the 30 months. By

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Origin Energy not offering a 36 month offer and all other retailers (except for ERM) providing quite significantly higher 36 month rates, tends to support the acceptance of a 36 month contract as representing a cost effective approach to pricing risk management.

12. For Contracts starting after 1 July 2012 the ERM offer to 30<sup>th</sup> July 2015 also offers best value as councils will have an effective decrease of raw energy rates thus reducing electricity costs after the carbon tax from 1<sup>st</sup> July 2012.

### **Unmetered Public Lighting**

13. Three (3) retailers submitted offers, with ERM not providing an offer. Details are in Attachment B.
14. AGL made an extremely competitive 'black energy' offer for all contract lengths.
15. Over a 24 month period, AGL's 'black energy' offer was cheaper by \$59,559 from the next lowest offer (Origin Energy). Its corresponding average cost was derived at 6.147 c/kWh for the overall 24 month period in comparison to 8.645 c/kwh from the next best offer (Origin Energy).
16. Over a 30 month period, AGL's 'black energy' offer was cheaper by \$112,290 from the next lowest offer (Origin Energy). Its corresponding average cost was derived at 6.000 c/kWh for the overall 30 month period in comparison to 6.397 c/kWh from the next best offer (Origin Energy).
17. Over a 36 month period, AGL's 'black energy' offer was cheaper by \$484,528 from the next lowest offer (TRUenergy). Its corresponding average cost was derived at 5.971 c/kWh for the overall 36 month period in comparison to 7.393 c/kwh from the next best offer (TRUenergy). AGL 's offer has also a load variation of  $\pm 20\%$  and a validity period to Thursday 3<sup>rd</sup> May 2012.

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### Evaluation Outcome

18. For Contracts starting from 1<sup>st</sup> July 2012 the best value offer was the 36 month offer from AGL as there is no premium from going from 12, 24 or 30 month contract to a 36 month contract.

By taking to account:

- a. Origin Energy could not offer a 36 month offer;
- b. AGL's 36 month offer's average costs in c/kWh of 5.971 c/kWh is lower than its 30 month offer (6.00 c/kWh); and
- c. AGL's 36 month offer is better than any carbon inclusive existing participating council offer;

Securing lower raw energy rates for the longer term may be a more risk adverse approach as oppose to taking a shorter term agreement and risking higher rates in the 36 month period that can possibly remove any savings gained in the 30 months. By Origin Energy not offering a 36 month offer and the remaining offer from TRUenergy being \$484,528 more than AGL's offer, this tends to support the above risk adverse approach.

19. For Contracts starting after 1 July 2012 the AGL offer to 30<sup>th</sup> Jul 2015 also offers best value as councils will have a decrease of raw energy rates thus reducing electricity costs after the carbon tax from 1<sup>st</sup> July 2012.

### **Green Power**

20. Details are in Attachment C.

### Evaluation Outcome

21. COzero has made an extremely competitive 'Green Power' energy rates with a difference of \$58,560 or and average cost difference of 0.325 c/kWh over a 36 month time period when compared to the next best offer (Origin Energy).

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### Other Considerations

22. All tendered rates included the \$1/MWh LGP administration fee.
23. All offers include the cost associated with the Carbon Tax Scheme effective from 1<sup>st</sup> July 2012.
24. Metering – As agreed with LGP, TCA metering for all building and facilities sites as arranged by TTEG. This arrangement will enable access to data for future tendering processes at no data gathering cost. There is no cost from ERM for using TCA metering and they will simply pass through the TCA meter cost in their invoice. Note: 1) ERM’s metering was quoted at \$1300 p.a per meter, while TCA metering cost is only \$1250 p.a per meter 2) We reasonably expect all meters to be in place for 1 July 2012 start.
25. All retailers provide LRETs, SRES and ESC costs based on the latest Government legislations and latest released Large-scale and Small-scale Technology Percentage (STP) by the Australian Government Clean Energy Regulator.
26. All retailers provided offers with only 7 day validity period.
27. All offers came with 14 days payment terms. Note: Still to confirm with ERM.

### Pricing *Strictly Confidential*

28. ERM’s quoted rates (inclusive of carbon tax) for Buildings and Facilities

Period	Peak	Shoulder	Off-Peak	LRETs	SRES	NGACs	ESC
<b>For Buildings and Facilities (&gt;160 MWh p.a) - c/kWh, excl GST</b>							
1 Jul-12 - 31 Dec-12	7.2805	7.6098	5.0038	0.4255	0.8146	N/A	0.1467
1 Jan-13 - 30 Jun-13	7.2805	7.6098	5.0038	0.4255	0.2858	N/A	0.1467
1 Jul-13 - 31 Dec-13	7.7822	8.1568	4.6675	0.4510	0.2858	N/A	0.1785
1 Jan-14 - 30 Jun-14	7.7822	8.1568	4.6675	0.4510	0.2257	N/A	0.1785
1 Jul-14 - 31 Dec-14	7.7129	8.2932	4.5518	0.4731	0.2257	N/A	0.1926
1 Jan-15 - 30 Jun-15	7.7129	8.2932	4.5518	0.4731	0.2318	N/A	0.1926
Meter Costs:	\$1250/p.a per meter						
Service Charge:	\$0 p.a						
Contract period Payment terms	14 days						

All rates are Carbon Inclusive and GST exclusive.

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LRETS, SRES and ESC rates are fixed and subject to any new additional government legislation changes

29. AGL's quoted rates (inclusive of carbon tax) for Unmetered Street Lighting:

Period	Peak	Shoulder	Off-Peak	LRETS	SRES	NGACs	ESC
<b>For Unmetered Public Streetlighting - c/kWh, excl GST</b>							
1 Jun-12 - 30 Jun-12	3.8088	3.8088	3.2130	0.4047	0.8626	0.0924	0.1245
1 Jul-12 - 30 Jun-13	5.5413	5.8408	4.0819	0.4172	0.7163	N/A	0.1440
1 Jul-13 - 31 Jun-14	5.6898	6.0142	3.9875	0.4238	0.5070	N/A	0.1747
1 Jul-14 - 31 Dec-14	5.1403	5.2070	3.5032	0.4178	0.4680	N/A	0.1859
1 Jan-15 - 30 Jun-15	5.8453	6.5789	3.5471	0.5114	0.4680	N/A	0.1905
Contract period Payment terms	14 days						

All rates are Carbon Inclusive and GST exclusive.

LRETS, SRES and ESC rates are fixed and subject to any new additional government legislation changes

30. COzero's quoted rates for GreenPower:

Period	c/kWhr Premium over and above the 'black' electricity component.
<b>For Renewable 100% Green Power Electricity - c/kWh, excl GST</b>	
1 Jun-12 - 30 Jun-13	5.007
1 Jul-13 - 30 Jun-14	5.412
1 Jul-14 - 31 Dec-14	5.638
1 Jan-15 - 30 Jun-15	5.892
Contract period Payment terms	14 Days



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## ATTACHMENT A - Buildings and Facilities

Supply of Electricity for Buildings and Facilities (>160 MWhrs)  
LOCAL GOVERNMENT PROCUREMENT/CENTROC

NSW  
Contract RPT 0811



NOTE:

- All prices INCLUDE raw energy rates, Carbon Tax inclusive, plus estimated LOSSES, metering, NGAGs, LRET & indicative SRES & ESC
- All prices EXCLUDE GST, Network & Regulated Charges.

	Estimated Annual Consumption, kWhrs									
	2012	2013	2014	2015	2013	2014	2015	2016	2017	2018
NOTE	65	84	88	90	88	89	90	90	90	90
AGL	1,632,780	1,632,780	1,632,780	1,632,780	1,632,780	1,632,780	1,632,780	1,632,780	1,632,780	1,632,780
TRUENERGY	3,520,582	4,137,384	4,137,384	4,137,384	4,137,384	4,137,384	4,137,384	4,137,384	4,137,384	4,137,384
Origin Energy	6,529,878	7,292,821	7,892,955	8,048,619	8,048,619	8,048,619	8,048,619	8,048,619	8,048,619	8,048,619
Total	11,753,244	14,231,699	14,626,780	14,924,774	14,626,780	14,924,774	14,924,774	14,924,774	14,924,774	14,924,774
From	1-Jul-2012	1-Jan-2013	1-Jul-2013	1-Jul-2014	1-Jul-2014	1-Jul-2014	1-Jul-2014	1-Jul-2014	1-Jul-2014	1-Jul-2014
To	31-Dec-2012	30-Jun-2013	31-Dec-2013	30-Jun-2014	31-Dec-2014	30-Jun-2015	30-Jun-2015	30-Jun-2015	30-Jun-2015	30-Jun-2015
AGL	11,753,244	11,753,244	11,753,244	11,753,244	11,753,244	11,753,244	11,753,244	11,753,244	11,753,244	11,753,244
TRUENERGY	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853
Origin Energy	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547
ERM	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201
AGL	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843
TRUENERGY	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853
Origin Energy	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547
ERM	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201
AGL	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843
TRUENERGY	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853
Origin Energy	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547
ERM	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201
AGL	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843
TRUENERGY	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853
Origin Energy	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547
ERM	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201
AGL	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843
TRUENERGY	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853
Origin Energy	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547
ERM	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201
AGL	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843	11,001,843
TRUENERGY	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853	1,032,853
Origin Energy	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547	9,687,547
ERM	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201	990,201

Price on 14-Jun-2012 11:53:24 AM (Price: 117,532,444 kWhrs)

	2012	2013	2014	2015
Existing Centroc Country Energy - 1 cities	11,753,244	11,753,244	11,753,244	11,753,244
Existing Most Common Country Energy 2	4814,488	4814,488	4814,488	4814,488
Existing Most Common AGL	4831,591	4831,591	4831,591	4831,591
Existing Most Common Origin Offer 1	4935,416	4935,416	4935,416	4935,416
Existing Most Common Origin Offer 2	4837,580	4837,580	4837,580	4837,580
Existing Most Common Origin Offer 3	4938,567	4938,567	4938,567	4938,567
Existing Most Common TRUENERGY	4938,567	4938,567	4938,567	4938,567

Note:

Other costs of supply such as network charges have been excluded from the analysis as they will be the same for all retailers. LRETS, SRES and GA Cs values are averaged over the period and are only indicative.

The 2.1 c/kWh Carbon Tax is only indicative and based on the Australian Emission coefficient latest estimated factor of 0.91 CO2/kg/kWh released by the Australian Government Department of Climate Change and Energy Efficiency and a current Carbon Price of \$23/tonne. <http://www.climatechange.gov.au/publications/emissions-co2/kg/kwh-national-averages-factors.aspx>

The Carbon Scheme will be at pass through costs. The 2.1 c/kWh is expected to vary depending on variance of the Emission coefficient factor

All retailers have provided Carbon Scheme inclusive prices, however these may vary as well should any legislation be changed  
\* % Diff is only on the contestable component of the electricity invoice (excluding network costs). To include network costs a rule of thumb can be used of 50/50% network vs contestable. The baseload halves the % Diff for the entire electricity invoice including network costs

		Summary of Charges		Ave Cost, Cents/kWh		Ranking	
		Contract Total	Difference by offer	Ave Cost, Cents/kWh	% Diff to Best 36 month offer *	Ave Cost, Cents/kWh Excl. Network	% Diff to Best 36 month offer *
AGL		11,753,244	\$99,081	8.938	23.95%	10.714	11.62%
TRUENERGY		11,753,244	\$99,081	8.938	23.95%	10.714	11.62%
Origin Energy		11,753,244	\$99,081	8.938	23.95%	10.714	11.62%
ERM		11,753,244	\$99,081	8.938	23.95%	10.714	11.62%
AGL		11,753,244	\$99,081	8.938	23.95%	10.714	11.62%
TRUENERGY		11,753,244	\$99,081	8.938	23.95%	10.714	11.62%
Origin Energy		11,753,244	\$99,081	8.938	23.95%	10.714	11.62%
ERM		11,753,244	\$99,081	8.938	23.95%	10.714	11.62%

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### Supply of Electricity for Buildings and Facilities (>160 MWh p.a)

Tenderer	Existing Most Common Rates		AGL	TRUenergy	Origin	ERM
Raw Energy Rate – cents/kWhr delivered						
Peak Energy Rate (P)						
Shoulder Energy Rates (S)						
Off-Peak energy Rates (OP)						
	<u>Existing Centroc Country Energy 1 rates</u>		<u>New Offer</u>	<u>New Offer</u>		
			<u>1 Jul-12 - 30 Jun-13</u>	<u>1 Jul-12 - 31 Dec-12</u>	<u>1 Jul-12 - 31 Dec-12</u>	<u>1 Jul-12 - 31 Dec-12</u>
	P	8.8842	P	7.9046	P	7.16
	S	8.8842	S	7.9217	S	7.16
	OP	3.6263	OP	5.3633	OP	4.887
	LRET%	0.292	LRET%	0.4172	LRET%	0.377
	SRES	0.9456	SRES	0.7163	SRES	0.716
	NGAC	0.206	NGAC	N/A	NGAC	N/A
	ESC	0.091	ESC	0.144	ESC	0.125
Excludes GST Losses & distribution charges	Metering/Retailer fee	\$456.25p.a/0				
		\$456.25p.a/0	<u>1 Jul-13 - 31 Jun-14</u>	<u>1 Jan-13 - 30 Jun-13</u>	<u>1 Jan-13 - 30 Jun-13</u>	<u>1 Jan-13 - 30 Jun-13</u>
	<u>Existing Most Common Country Energy 2</u>					
	P	6.6518	P	8.1518	P	7.9
	S	6.5793	S	8.1696	S	7.9
	OP	2.9835	OP	5.2418	OP	4.811
	LRET%	0.292	LRET%	0.4238	LRET%	0.438
	SRES	0.9456	SRES	0.507	SRES	0.252
	NGAC	0.206	NGAC	N/A	NGAC	N/A
	ESC	0.091	ESC	0.1747	ESC	0.167
	Metering/Retailer fee	\$456.25p.a/0				
		\$456.25p.a/0	<u>1 Jul-13 - 31 Dec-13</u>	<u>1 Jul-13 - 31 Dec-13</u>	<u>1 Jul-13 - 31 Dec-13</u>	<u>1 Jul-13 - 31 Dec-13</u>
	<u>Existing Most Common AGL</u>					
	P	7.4579	P	7.0563	P	6.989
	S	7.4579	S	7.0587	S	6.989
	OP	2.7511	OP	4.6006	OP	5.11
	LRET%	0.26	LRET%	0.4178	LRET%	0.398
	SRES	0.844	SRES	0.468	SRES	0.205
	NGAC	0.225	NGAC	N/A	NGAC	N/A
	ESC	0.091	ESC	0.1859	ESC	0.194
	Metering/Retailer fee	\$450p.a/0				
		\$450p.a/0	<u>1 Jul-14 - 31 Dec-14</u>	<u>1 Jan-14 - 30 Jun-14</u>	<u>1 Jan-14 - 30 Jun-14</u>	<u>1 Jan-14 - 30 Jun-14</u>
	<u>Existing Most Common Origin Offer 1</u>					
	P	8.5909	P	8.5909	P	6.989
	S	8.5909	S	8.5909	S	6.989
	OP	3.5775	OP	3.5775	OP	5.11
	LRET%	0.3563	LRET%	0.3563	LRET%	0.398
	SRES	0.762	SRES	0.762	SRES	0.205
	NGAC	0.033	NGAC	0.033	NGAC	N/A
	ESC	0.1133	ESC	0.1133	ESC	0.194
	Metering/Retailer fee	\$912.5p.a/0				
		\$912.5p.a/0	<u>1 Jul-14 - 31 Dec-14</u>	<u>1 Jul-14 - 31 Dec-14</u>	<u>1 Jul-14 - 31 Dec-14</u>	<u>1 Jul-14 - 31 Dec-14</u>
	<u>Existing Most Common Origin Offer 2</u>					
	P	7.1498	P	7.1498	P	6.989
	S	7.1498	S	7.1498	S	6.989
	OP	3.3557	OP	3.3557	OP	5.11
	LRET%	0.3563	LRET%	0.3563	LRET%	0.398
	SRES	0.762	SRES	0.762	SRES	0.205
	NGAC	0.033	NGAC	0.033	NGAC	N/A
	ESC	0.1133	ESC	0.1133	ESC	0.194
	Metering/Retailer fee	\$912.5p.a/0				
		\$912.5p.a/0	<u>1 Jan-15 - 30 Jun-15</u>	<u>1 Jan-15 - 30 Jun-15</u>	<u>1 Jan-15 - 30 Jun-15</u>	<u>1 Jan-15 - 30 Jun-15</u>
	<u>Existing Most Common Origin Energy 3</u>					
	P	8.4821	P	8.4821	P	6.989
	S	8.4821	S	8.4821	S	6.989
	OP	3.8493	OP	3.8493	OP	5.11
	LRET%	0.3563	LRET%	0.3563	LRET%	0.398
	SRES	0.762	SRES	0.762	SRES	0.205
	NGAC	0.033	NGAC	0.033	NGAC	N/A
	ESC	0.1133	ESC	0.1133	ESC	0.194
	Metering/Retailer fee	\$912.5p.a/0				
		\$912.5p.a/0	<u>1 Jan-15 - 30 Jun-15</u>	<u>1 Jan-15 - 30 Jun-15</u>	<u>1 Jan-15 - 30 Jun-15</u>	<u>1 Jan-15 - 30 Jun-15</u>
	<u>Existing Most Common TRUenergy</u>					
	P	7.278	P	7.278	P	6.989
	S	7.278	S	7.278	S	6.989
	OP	2.899	OP	2.899	OP	5.11
	LRET%	0.292	LRET%	0.292	LRET%	0.398
	SRES	0.762	SRES	0.762	SRES	0.205
	NGAC	0.1649	NGAC	0.1649	NGAC	N/A
	ESC	0.0869	ESC	0.0869	ESC	0.194
	Metering/Retailer fee	\$1140p.a/420				
		\$1140p.a/420				
Metering, excl GST			\$1,150	\$1,200	\$1,190	\$1,250
Retail Service Fees (excl GST)			\$486	\$0	\$0	\$0

Note: LRET, SRES and ESC are based on current Government Legislation. All rates are subject to any new government legislation changes.

All rates are GST Exclusive

\* The 2.1 c/kWh Carbon Tax is only indicative and based on the Australian Emission coefficient latest estimated factor of 0.91 CO2kg/kwh released by the Australian Government Department of Climate Change and Energy Efficiency and a current Carbon Price of \$23/tonne <http://www.climatechange.gov.au/pdf/carbon/greenhouse-arch/national-greenhouse-factors.aspx>

The Carbon Scheme will be at pass through costs. The 2.1 c/kWh is expected to vary depending on variance of the Emission coefficient factor

All retailers have provided Carbon Scheme Inclusive prices, however these may vary as well should any legislation is changed



## SUPPLY OF ELECTRICITY FOR BUILDING AND FACILITIES UNMETERED STREETLIGHTING AND GREENPOWER (LGP 0811)

Tenderer	Existing Offers	AGL	TRUenergy	Origin	ERM
<b>Raw Energy Rate – cents/kWhr delivered</b>					
	Carbon Exclusive    Carbon Inclusive with Indicative        with Indicative 2.1 c/kWh*				
<b>Peak Energy Rate (P)</b>		<b>New Offer</b>	<b>New Offer</b>		
<b>Shoulder Energy Rates (S)</b>		<b>1 Jun-12 - 30 Jun-12</b>	<b>1 Jun-12 - 30 Jun-12</b>	<b>1 Jun-12 - 30 Jun-12</b>	<b>1 Jun-12 - 30 Jun-12</b>
<b>Off-Peak energy Rates (OP)</b>	<b>Existing Most Common AGL</b>				
P	3.7                      5.8	P                      3.8088	P                      7.522	P                      6.07	P                      -
S	3.7                      5.8	S                      3.8088	S                      7.522	S                      6.07	S                      -
OP	3.7                      5.8	OP                    3.213	OP                    4.925	OP                    4.612	OP                    -
LRETS	0.26                    0.26	LRETS                0.4047	LRETS                0.3879	LRETS                0.377	LRETS                -
SRES	0.7939                0.7939	SRES                0.8626	SRES                0.7181	SRES                0.716	SRES                -
NGAC	0.225                    0.225	NGAC                0.0924	NGAC                N/A	NGAC                N/A	NGAC                -
ESC	0.09                    0.09	ESC                    0.1245	ESC                    0.1236	ESC                    0.125	ESC                    -
<b>Excludes GST Losses &amp; distribution charges</b>	Metering/Retailer fee    0                      0	1 Jul-12 - 30 Jun-13	1 Jul-12 - 31 Dec-12	1 Jul-12 - 31 Dec-12	1 Jul-12 - 30 Jun-13
	<b>Existing Most Common Origin Energy</b>				
P	2.7588                4.8588	P                      5.5413	P                      7.522	P                      6.07	P                      -
S	2.7588                4.8588	S                      5.8408	S                      7.522	S                      6.07	S                      -
OP	2.7588                4.8588	OP                    4.0819	OP                    4.925	OP                    4.612	OP                    -
LRETS	0.3563                0.3563	LRETS                0.4172	LRETS                0.3879	LRETS                0.377	LRETS                -
SRES	0.762                    0.762	SRES                0.7163	SRES                0.7181	SRES                0.716	SRES                -
NGAC	0.033                    0.033	NGAC                N/A	NGAC                N/A	NGAC                N/A	NGAC                -
ESC	0.1133                0.1133	ESC                    0.144	ESC                    0.1236	ESC                    0.125	ESC                    -
Metering/Retailer fee	0                      0	1 Jul-13 - 31 Jun-14	1 Jan-13 - 31 Dec-13	1 Jan-13 - 31 Dec-13	1 Jul-13 - 31 Jun-14
	<b>Existing Most Common Country Energy 1</b>				
P	8.6016                10.7016	P                      5.6998	P                      8.1105	P                      6.717	P                      -
S	8.6016                10.7016	S                      6.0142	S                      8.1105	S                      6.717	S                      -
OP	3.5973                5.6973	OP                    3.9675	OP                    5.3655	OP                    4.575	OP                    -
LRETS	0.292                    0.292	LRETS                0.4238	LRETS                0.477	LRETS                0.438	LRETS                -
SRES	0.592                    0.592	SRES                0.507	SRES                0.2548	SRES                0.252	SRES                -
NGAC	0.206                    0.206	NGAC                N/A	NGAC                N/A	NGAC                N/A	NGAC                -
ESC	0.091                    0.091	ESC                    0.1747	ESC                    0.1628	ESC                    0.167	ESC                    -
Metering/Retailer fee	0                      0		1 Jan-14 - 30 Jun-14	1 Jan-14 - 30 Jun-14	
	<b>Existing Centroc. Country Energy/Origin 2</b>				
P	8.8842                10.9842	P                      5.1403	P                      8.2845	P                      5.932	P                      -
S	8.8842                10.9842	S                      5.207	S                      8.2845	S                      5.932	S                      -
OP	3.6263                5.7263	OP                    3.5032	OP                    5.8513	OP                    4.859	OP                    -
LRETS	0.292                    0.292	LRETS                0.4178	LRETS                0.4485	LRETS                0.398	LRETS                -
SRES	0.9456                0.9456	SRES                0.468	SRES                0.1617	SRES                0.205	SRES                -
NGAC	0.206                    0.206	NGAC                N/A	NGAC                N/A	NGAC                N/A	NGAC                -
ESC	0.091                    0.091	ESC                    0.1859	ESC                    0.1854	ESC                    0.194	ESC                    -
Metering/Retailer fee	0                      0	1 Jul-14 - 31 Dec-14	1 Jul-14 - 31 Dec-14	1 Jul-14 - 31 Dec-14	1 Jul-14 - 31 Dec-14
	<b>Existing Most Common Origin Energy 2</b>				
P	5.9233                8.0233	P                      3.5032	P                      8.2845	P                      5.932	P                      -
S	5.9233                8.0233	S                      5.207	S                      8.2845	S                      5.932	S                      -
OP	2.8771                4.9771	OP                    3.5032	OP                    5.8513	OP                    4.859	OP                    -
LRETS	0.3563                0.3563	LRETS                0.4178	LRETS                0.4485	LRETS                0.398	LRETS                -
SRES	0.762                    0.762	SRES                0.468	SRES                0.1617	SRES                0.205	SRES                -
NGAC	0.033                    0.033	NGAC                N/A	NGAC                N/A	NGAC                N/A	NGAC                -
ESC	0.1133                0.1133	ESC                    0.1859	ESC                    0.1854	ESC                    0.194	ESC                    -
Metering/Retailer fee	0                      0	1 Jan-15 - 30 Jun-15	1 Jan-15 - 30 Jun-15	1 Jan-15 - 30 Jun-15	1 Jan-15 - 30 Jun-15
	<b>Existing Most Common TRUenergy</b>				
P	7.278                    9.378	P                      5.8453	P                      8.2845	P                      -	P                      -
S	7.278                    9.378	S                      6.5789	S                      8.2845	S                      -	S                      -
OP	2.899                    4.999	OP                    3.5471	OP                    5.8513	OP                    -	OP                    -
LRETS	0.292                    0.292	LRETS                0.5114	LRETS                0.5281	LRETS                -	LRETS                -
SRES	0.762                    0.762	SRES                0.468	SRES                0.1347	SRES                -	SRES                -
NGAC	0.1649                0.1649	NGAC                N/A	NGAC                N/A	NGAC                -	NGAC                -
ESC	0.0869                0.0869	ESC                    0.1905	ESC                    0.1901	ESC                    -	ESC                    -
Metering/Retailer fee	0                      0				
	<b>Existing Most Common Origin Energy 3</b>				
P	5.9521                8.0521				
S	5.9521                8.0521				
OP	2.8916                4.9916				
LRETS	0.3563                0.3563				
SRES	0.762                    0.762				
NGAC	0.033                    0.033				
ESC	0.1133                0.1133				
Metering/Retailer fee	0                      0				
<b>Metering, excl GST</b>		Pass through	Pass through	Pass through	Pass through
<b>Retail Service Fees (excl GST)</b>		\$486	\$0	\$0	\$0

Note: LRETS, SRES and ESC are based on current Government Legislation. All rates are subject to any new government legislation changes.

All rates are GST Exclusive

\* The 2.1 c/kWh Carbon Tax is only **indicative** and based on the Australian Emission coefficient latest estimated factor of 0.91 CO2kg/kwh released by the Australian Government Department of Climate Change and Energy Efficiency and a current Carbon Price of \$23/tonne <http://www.climatechange.gov.au/publications/greenhouse-activity-national-greenhouse-factors.aspx>

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The Carbon Scheme will be at pass through costs. The 2.1 c/kWh is expected to vary depending on variance of the Emission coefficient factor  
All retailers have provided Carbon Scheme Inclusive prices, however these may vary as well should any legislation is changed

**SUPPLY OF ELECTRICITY FOR BUILDING AND FACILITIES  
UNMETERED STREETLIGHTING AND GREENPOWER (LGP 0811)**

**ATTACHMENT C – Green Energy (Green Power)**

**Supply Of Renewable Green Energy (Green Power) 100%  
LOCAL GOVERNMENT PROCUREMENT/CENTROC**

NSW  
Contract RFT 0811



**NOTE:**

1. All prices **INCLUDE** raw 100% Green energy rates
2. All prices **EXCLUDE** GST

		Estimated Annual Consumption, kWhrs										Summary of Charges				
		2012	2013		2014		2015		2016		2017		Contract Total	Difference by offer	Ave Cost, Cents/kWh	Ranking
		3,000,000	1-Jul-2012	30-Jun-2013	1-Jan-2013	31-Dec-2013	1-Jan-2014	30-Jun-2014	1-Jul-2014	31-Dec-2014	1-Jan-2015	30-Jun-2015				
<b>Total</b>		<b>3,000,000</b>	<b>1-Jul-2012</b>	<b>30-Jun-2013</b>	<b>1-Jan-2013</b>	<b>31-Dec-2013</b>	<b>1-Jan-2014</b>	<b>30-Jun-2014</b>	<b>1-Jul-2014</b>	<b>31-Dec-2014</b>	<b>1-Jan-2015</b>	<b>30-Jun-2015</b>	<b>3,000,000</b>			
From	To															
	kWhrs															
AGL		3,000,000											3,000,000	\$41,790	6.400	4
TRUenergy		\$192,000											\$192,000	\$21,390	5.720	3
Origin Energy		\$171,600											\$171,600	\$6,060	5.209	2
CoZero		\$156,270											\$156,270	\$0	5.007	1
		\$150,210											\$150,210			
	kWhrs												6,000,000			
AGL		3,000,000											3,000,000	\$83,580	6.400	4
TRUenergy		\$192,000											\$192,000	\$42,780	5.720	3
Origin Energy		\$171,600											\$171,600	\$12,120	5.209	2
CoZero		\$156,270											\$156,270	\$0	5.007	1
		\$150,210											\$150,210			
	kWhrs												9,000,000			
AGL		3,000,000											3,000,000	\$125,220	6.533	4
TRUenergy		\$192,000											\$192,000	\$52,020	5.720	3
Origin Energy		\$171,600											\$171,600	\$16,710	5.328	2
CoZero		\$156,270											\$156,270	\$0	5.142	1
		\$150,210											\$150,210			
	kWhrs												12,000,000			
AGL		3,000,000											3,000,000	\$166,860	6.600	4
TRUenergy		\$192,000											\$192,000	\$61,260	5.720	3
Origin Energy		\$171,600											\$171,600	\$21,300	5.387	2
CoZero		\$156,270											\$156,270	\$0	5.210	1
		\$150,210											\$150,210			
	kWhrs												15,000,000			
AGL		3,000,000											3,000,000	\$219,720	6.760	4
TRUenergy		\$192,000											\$192,000	\$63,720	5.720	3
Origin Energy		\$171,600											\$171,600	\$30,570	5.499	2
CoZero		\$156,270											\$156,270	\$0	5.295	1
		\$150,210											\$150,210			
	kWhrs												18,000,000			
AGL		3,000,000											3,000,000	\$282,960	6.967	3
TRUenergy		\$192,000											\$192,000	\$58,560	5.720	2
Origin Energy		\$171,600											\$171,600	\$971,040	5.395	1
CoZero		\$156,270											\$156,270			
		\$150,210											\$150,210			

## SUPPLY OF ELECTRICITY FOR BUILDING AND FACILITIES UNMETERED STREETLIGHTING AND GREENPOWER (LGP 0811)

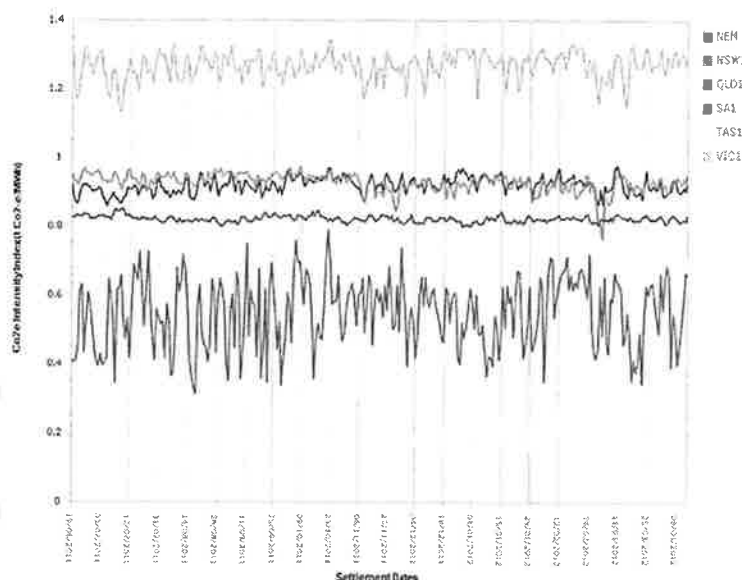
### ATTACHMENT D - Carbon Price Mechanism

Legislation for a carbon price mechanism was passed in Federal Parliament 8th November 2011 and will be introduced 1 July 2012.

#### How is the tax being priced?

As per the National Greenhouse Accounts Factors – July 2011 report pg 69<sup>1</sup>, released by the Australian Government Department of Climate Change and Energy Efficiency and AEMO live monitoring of the Carbon Dioxide Equivalent Intensity Index, to date the average Australian (National Electricity Market NEM) Carbon Dioxide Equivalent Intensity index has shown to be around 0.91 tonne of CO<sub>2</sub>/MWh.

Carbon Dioxide Equivalent Intensity Index



Graph 1. Source: <http://www.aemo.com.au/electricityops/cdeii.html>

<sup>1</sup> <http://www.climatechange.gov.au/publications/greenhouse-acctg/national-greenhouse-factors.aspx>

## SUPPLY OF ELECTRICITY FOR BUILDING AND FACILITIES UNMETERED STREETLIGHTING AND GREENPOWER (LGP 0811)

Furthermore, the Federal Government has legislated for a fixed carbon price to be imposed at \$23 for every tonne of carbon dioxide equivalent (CO<sub>2</sub>-e) for the year 2012-13. This price will increase to \$24.15 per tonne in 2013-14 and \$25.40 in 2014-15. <sup>2</sup>

Based on Australian Government Department of Climate Change and Energy Efficiency, AEMO's live monitoring and the Australian Government Clean Energy Regulator, the Carbon Tax price component on electricity can be estimated as follows:

Year 1 - 2012-2013: \$23/tonne CO<sub>2</sub> x 0.91 = \$20.92/MWh ≈ **2.1 c/kWh**

Year 2 - 2014-2015: \$24.15/tonne CO<sub>2</sub> x 0.91 = \$21.98/MWh ≈ **2.2 c/kWh**

Year 3 - 2014-2015: \$25.40/tonne CO<sub>2</sub> x 0.91 = \$23.11/MWh ≈ **2.3 c/kWh**

Note: The Carbon Dioxide Equivalent Intensity changes from day to day and in such, these c/kwh estimates can only be seen as a guideline.

From 1 July 2015 a floating market-based Emission Trading Scheme will determine the price of permits and the Government will subject the floating price to a \$15 floor price and a ceiling price of \$20 above the international carbon prices, with each rising annually at 4% and 5% respectively.

NOTE: The increases will need to be further factored up by the loss factors applicable to each particular site.

### Carbon Price impact on Participating Councils?

Based on the latest figures released from the Australian Government Department of Climate Change and Energy Efficiency as well as the latest AEMO most recent (9<sup>th</sup> Apr 2012) data, the additional 2.1 c/kWh on peak and off-peak rates has the following impact:

1. Buildings and Facilities: Cost increase of approximately 25-30% on contestable component of the electricity invoice (energy only) and approximately 12-15% on total electricity invoice including regulated and non contestable network costs.

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<sup>2</sup> <http://www.cleanenergyregulator.gov.au/Carbon-Pricing-Mechanism/About-the-Mechanism/Pages/default.aspx>

**SUPPLY OF ELECTRICITY FOR BUILDING AND FACILITIES  
UNMETERED STREETLIGHTING AND GREENPOWER (LGP 0811)**

2. Unmetered Public Lighting: Cost increase of approximately 25-40% on only the contestable component of the electricity invoice (energy only) and approximately 15-25% increase on total electricity invoice including regulated and non contestable network charges.

Note:

1. Our tender process achieved Unmetered Public Lighting energy rates much lower than for buildings and facilities. For councils with much lower unmetered street lighting rates, the same 2.1 c/kWh increase applied to these energy rates naturally results in a much higher carbon cost increase percentage.
2. For Centroc participating Councils where the current Unmetered Public Lighting energy rates were the same as their buildings and facilities rates, cost increases as a result of the Carbon Tax would be expected to be quite similar should the existing rates continue after 1<sup>st</sup> July 2012 ie 12% to 15% of the total invoice.