



# Mozo Experts Choice Awards **Energy 2019**

Methodology Report  
September 2019



# Mozo Experts Choice Awards Energy 2019

Every day, Mozo keeps track of thousands of products in banking, insurance and energy. We use our knowledge and experience to identify those products that offer great value or market-leading features, and we recognise them with these awards.

- For product providers, it's a third-party endorsement of their product.
- For consumers, it's a sign that a product is among the leaders and is worthy of consideration.

Our awards in Energy recognise the products and retailers who offer the best value plans in each State, in the areas of:

- Electricity plans
- Electricity plans for customers with solar panels
- Green electricity plans
- Gas plans

We've awarded the best plans for Residential customers, and the best plans for Small Business customers.

This report lists the winners and explains the judging methodology.

## Overall State Winners

### NSW, QLD and SA Electricity Retailer of the Year



Powerclub is our Electricity Retailer of the Year for NSW, QLD and SA. Mozo's analysis shows that they tend to be one of the cheapest options available for residential and small business customers.

But Powerclub does things differently, so it's important to understand their model. They charge an annual membership fee, and a usage charge per kWh, but they also require you to hold a cash buffer in a 'Powerbank' from which they will add or subtract the difference between the usage charge and the actual wholesale energy price. Generally this can result in great savings, but it does expose you to the risk of extreme spikes in the wholesale rates.

Powerclub is not for everyone, but for informed customers looking to actively manage their costs down, they are an innovator well worth looking into.

## VIC Electricity Retailer of the Year



Since launching in February, Elysian Energy have rocketed to the top of our awards, winning awards for Victorian residential and small business electricity, including for solar users. Their plans smooth out your payments a little, by charging a fixed amount each month and then adjusting the next bill for any difference.

# Residential Energy 2019 Winners

Energy pricing is complicated, even though governments have moved to tidy things up a bit this year. Mozo compares every plan sold direct by every retailer in the market, for a range of different usage levels and in every distributor area, to find the cheapest options available. This year, several new retailer brands feature in our lists of the lowest cost energy plans.

## New South Wales

### Electricity

Powerclub

Powerbank Home

ReAmped Energy

Residential Plan

### Solar-friendly Electricity

EnergyAustralia

Total Plan

Powerclub

Powerbank Home + Solar

### Green Electricity

Powershop

Shopper Market Ofer

### Gas Plan

amaysim

Gas as you go

# Victoria

## Electricity

Elysian Energy

Simple Plan

GloBird Energy

EasySave

## Solar-friendly Electricity

Elysian Energy

Simple Plan

GloBird Energy

EasySave

## Green Electricity

Powershop

Shopper Market Ofer

## Gas Plan

GloBird Energy

GloSave

# Queensland

## Electricity

Powerclub

Powerbank Home

ReAmped Energy

Residential Plan

## Solar-friendly Electricity

EnergyAustralia

Total Plan

Red Energy

Easy Saver  
Qantas Red Saver

## Green Electricity

Powershop

Shopper Market Ofer

## Gas Plan

AGL

Essentials Plus

# South Australia

## Electricity

Kogan Energy

Market Ofer

Powerclub

Powerbank Home

## Solar-friendly Electricity

AGL

Essentials Plus

Red Energy

Easy Saver  
Qantas Red Saver

## Green Electricity

Powershop

Shopper Market Ofer

## Gas Plan

Red Energy

Easy Saver  
Qantas Red Saver

# Australian Capital Territory

## Electricity

Powerclub

Powerbank Home

ReAmped Energy

Residential Plan

## Solar-friendly Electricity

ActewAGL

Home 25%

## Green Electricity

Energy Locals

Online Saver with 100%  
GreenPower

## Gas Plan

EnergyAustralia

Total Plan

# Small Business Energy Winners

We've scoured the web to find every plan sold direct by every retailer in the market, in every distributor area, to find the cheapest options available for an average small business. Every business will have different needs, but we think that these retailers should be on your shortlist.

## New South Wales

### Electricity

Powerclub

Powerbank Bis

Red Energy

Qantas Red Easy  
Red Easy

### Solar-friendly Electricity

Powerclub

Powerbank Bis + Solar

Red Energy

Qantas Red Easy  
Red Easy

### Green Electricity

Powershop

Shopper Market Ofer

### Gas Plan

Origin Energy

Origin Business Flexi

# Victoria

## Electricity

Elysian Energy

Business Market Saver

Tango Energy

Business Select

## Solar-friendly Electricity

Elysian Energy

Business Market Saver

Tango Energy

Business Select

## Green Electricity

Powershop

Shopper Market Ofer

## Gas Plan

Lumo Energy

Lumo Value

# Queensland

## Electricity

Powerclub

Powerbank Bis

Powershop

Shopper Market Offer

## Solar-friendly Electricity

Powerclub

Powerbank Bis + Solar

Red Energy

Qantas Red Easy  
Red Easy

## Green Electricity

Powershop

Shopper Market Offer

## Gas Plan

Red Energy

Easy Saver  
Qantas Red Saver

## South Australia

### Electricity

Momentum Energy

SmilePower Flexi

Powerclub

Powerbank Bis

### Solar-friendly Electricity

Powerclub

Powerbank Bis + Solar

Powershop

Shopper Market Offer

### Green Electricity

Powershop

Shopper Market Ofer

### Gas Plan

EnergyAustralia

Total Plan - Business

# Australian Capital Territory

## Electricity

EnergyAustralia

No Frills - Business

Powerclub

Powerbank Bis

## Solar-friendly Electricity

Energy Locals

Business Saver

Powerclub

Powerbank Bis + Solar

## Green Electricity

Energy Locals

Business Saver with 100%  
GreenPower

## Gas Plan

EnergyAustralia

No Frills - Business Plan

# How do we judge the winners?

## Overall Calculation Methodology: Lowest Cost

The winning products are those that provide the cheapest energy at the time of judging, for a set of customer scenarios.

Our scenarios covered each of the different distributor areas in each State (because prices differ) and for residential costs we considered several different levels of energy usage (because this affects the influence of daily supply charges versus variable usage charges).

Energy usage estimates were based on published industry benchmarks wherever possible. Refer to Appendix 3 for details.

Cost calculations were based on single rate tariffs, guaranteed discounts and any conditional discounts for paying on time, direct debit, paying online or in advance, or e-billing. Discounts for combining gas and electricity plans were not included.

Any upfront one-off joining fees and annual membership fees were included fully in the annual cost. Upfront one-off credits or incentives were not included in the cost calculations.

### **Plans with wholesale price exposure**

Some plans charge a specified tariff but then credit or debit the difference between the tariff and the underlying wholesale energy market rate - specifically in 2019, this applies to all plans offered by Powerclub.

We examined how consumers might be affected by spikes in the wholesale energy price, using actual half-hourly price data for the 12 months to 31 August 2019 as published by AEMO, and found that for this period the Powerclub plans would have been even cheaper than the published tariffs suggest. Therefore,

such plans remained eligible for awards based on their published tariffs and can be recommended for consideration by informed and watchful customers.

## Solar-friendly electricity

These awards recognise those products that provide the cheapest energy for customers with existing solar panels, after making an allowance for feed-in tariffs for selling excess energy to the grid and well as the cost of buying electricity from the grid.

See Appendix for assumptions.

## Green electricity

In previous years we've based our Green award on the price of GreenPower options. But in 2019 we recognise that consumer interest in GreenPower is very low, and so we're changing our approach to include other green offerings.

While several retailers associated with renewable generation companies make the claim that they generate more renewable energy than their retail customers use, switching your electricity to those retailers won't necessarily impact on the amount they generate.

We think a better option would be a retailer that:

- generates only renewable energy (or does not generate any)
- **and**
- promises to purchase carbon credits to offset the energy you use (or offers 100% GreenPower).

The cheapest plan in each State that meets those criteria was awarded a Green Electricity award.

## Gas

Similar to the Electricity category, the winning Gas products are those that provide the cheapest energy at the time of judging, for a set of customer scenarios.

Our scenarios covered each of the different distributor areas in each State (because prices differ) and for residential costs we considered several different levels of gas usage.

Discounts for combining gas and electricity plans were not included.

## Energy Retailers of the Year

To be crowned an Electricity Retailer of the Year, a provider must have won an award in the residential Electricity category, and must also have won more awards in total in that State than any other retailer.

If no retailer stands out in this way, we may look more closely at relative rankings across each category to see if we can identify a good all-round performer.

In 2019, there were clear winners in NSW and VIC, QLD and SA, but not in the ACT.

## What products do we consider?

Mozo considered all electricity and gas plans available to residential and small business customers, where energy price fact sheets were published on the retailer website. Electricity plans that require the consumer to also sign up to a gas plan were excluded, as were products not aimed at the general public such as those only available to households in a limited area.

We considered products in NSW, Victoria, South Australia, the ACT and in the contestable market in SE Queensland covered by the Energex electricity distribution network.

We grouped products into four categories for the awards:

- **Electricity**
- **Solar-friendly electricity**
- **Green electricity**
- **Gas**

In carrying out the Mozo Experts Choice Awards energy research we analysed 585 products from 36 residential energy retailers and 456 products from 32 small business energy retailers; covering a total of 37 retailers.

# How we manage conflicts of interest

Mozo Experts Choice Awards are awarded irrespective of a product provider's commercial relationship with Mozo.

The Awards are based on objective verifiable facts and analysis wherever possible, and any assumptions made are set out in this report. Mozo's research team analyses product data and determines the winners in each Mozo Experts Choice category without reference to Mozo's sales or commercial functions.

Companies do not pay to enter the Mozo Experts Choice Awards. Should a winning product or service wish to use the Mozo Experts Choice Awards badges in their own marketing activities, Mozo charges them a licence fee.



## About Mozo

Mozo provides a comparison service with the goal of helping consumers to make their own financial decisions and save money. Mozo offers consumers a comprehensive product comparison service that across the retail banking market, general insurance, life insurance, business banking, energy and more.

Hundreds of thousands of Australians a month use Mozo's comparison service. Mozo's comparison technology and expertise has been used by some of Australia's largest online publishers.

Mozo holds an Australian Financial Services Licence and an Australian Credit Licence. Mozo's management team have experience in consumer credit and financial services in a variety of roles from executive management, marketing, actuarial services and technology. Mozo's team are often called upon to provide expert media commentary in relation to the product areas they cover.

The Mozo Experts Choice Awards analysis is overseen by AJ Duncanson, Mozo's Data Services Director. AJ is a data scientist and actuary, and has worked in financial services and product comparison for almost 30 years. He is a Responsible Manager on Mozo's Australian Financial Services Licence and Australian Credit Licence.

## Important Information

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# Appendix

List of all providers considered in the awards.

1st Energy	Kogan Energy
ActewAGL	Locality Planning Energy
AGL	Lumo Energy
Alinta Energy	Mojo Power
amaysim	Momentum Energy
Blue NRG	Next Business Energy
Click Energy	Origin Energy
Commander Power & Gas	People Energy
CovaU	Pooled Energy
DC Power Co	Powerclub
Diamond Energy	Powerdirect
Discover Energy	Powershop
Dodo Power & Gas	QEnergy
Elysian Energy	ReAmped Energy
Energy Locals	Red Energy
EnergyAustralia	Simply Energy
Enova Energy	Sumo Power
Future X Power	Tango Energy
GloBird Energy	

## Assumptions used in cost calculations - all awards

Residential energy usage assumptions were based on the industry benchmarks as currently published by the AER. We used 3 different usage scenarios in each State:

- Low usage = a 1 person household, without any of the additional usage factors like a pool or subfloor heating;
- Medium usage = a 3 person household, without any of the additional usage factors like a pool or subfloor heating;
- High usage = a 5 person household, with additional usage factors.

The AER does not publish benchmarks of averages for small business customers. For our Small Business award calculations, we assumed electricity usage of 20,000 kWh/year and gas usage of 100,000 MJ/year. We tested our results to ensure that they were not unduly influenced by our choice of assumption.

## Solar-friendly - additional assumptions

Calculations in this category consisted of two parts:

1. The cost of electricity drawn from the grid. This calculation followed the same approach as the Electricity category, except:
  - Low energy use households were not considered.
  - The energy usage assumptions were reduced to reflect that some of the energy needs would be met by solar-generated power.
2. The feed-in rebate earned by selling unused solar power back to the grid. We assumed no eligibility for any Government bonus schemes.

To enable these calculations, we had to make assumptions about the amount of power generated by solar panels, and the percentage of this power that the

customer used. Our estimate of the power generated from residential solar panels came from a calculator published by the U.S. National Renewable Energy Laboratory, assuming an average 4Kw system in the relevant State capital. We assumed that 50% of the solar-generated energy was used by the household, the rest sold to the grid and none stored. For small business users, we assumed double the solar generation capacity.