



ACT
Government
Health



Mr Ian Primrose
Chief Executive Officer
Independent Competition and Regulatory Commission
GPO Box 296
CANBERRA CITY ACT 2601

Dear ^{Ian}Mr Primrose

**Retail Prices for Non-contestable Electricity Customers:
Commission calls for Submissions on Issues Paper**

Thank you for your letter calling for comment on the Retail Prices for Non-contestable Electricity Customers. I appreciate the opportunity to provide you with comment from the ACT Government Health Directorate perspective.

I understand energy purchase costs are incurred by the retailer in purchasing electricity from the market to supply franchise customers which represent approximately 40% of the total cost of retail electricity provision in the ACT. Additionally the retail price is also influenced by futures trading and as the price is highly volatile the purchaser generally attempts to reduce exposure of the price risk on franchise customers.

Given these influences and the recent announcement of the introduction of the carbon price, I note the impact of future prices will feed into the electricity pricing model index and reflect the higher prices expected to be faced by retailers in securing energy to meet demand. I understand however, notwithstanding these developments the Commission acknowledges the methodology developed and utilised is robust and should not be substantially changed.

The Health Directorate is pursuing available energy options to assist with mitigation against its carbon footprint and future retail prices which is being considered as part of the Health Infrastructure Program.

Yours sincerely

Dr Peggy Brown, MBBS(Hons) FRANZCP
Director-General
Health Directorate

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