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**\*\*\*\*media release\*\*\*\***

**Bushfires mean energy price rises inevitable in short-term; but on target to drop**

The knock-on effects of Australia’s bushfire crisis are coming to light every day; from the destruction of precious flora and fauna to rising insurance premiums and impacts on health.

One of the areas set to be impacted by the bushfires is energy prices; with one energy commentator projecting they are set to go up in the short term, although the longer term prognosis is better.

Domenic Capomolla, a 20 year veteran of the energy industry and current CEO of Tango Energy, suggests that the amount of damage wrought to energy infrastructure in the bushfires will inevitably impact on energy prices in the short-term.

‘The extent of the bushfires has meant that thousands of kilometres of energy infrastructure, such as poles and wires, will need to be repaired or replaced,’ said Mr Capomolla.

‘It’s an investment that has to be made, and with that sort of investment there is a cost involved; meaning energy prices are likely to go up across the industry in the short-term,’ he said.

There has already been a spate of energy price rises between December 2019 and January 2020 as a result of higher wholesale energy prices and increased ‘poles and wires’ charges approved by the Australian Energy Regulator (AER) in November 2019.

‘People in December last year were quite angry that, despite promises of energy prices dropping, there have in fact been energy price increases,’ said Mr Capomolla.

‘But just so people understand, these price rises are not about energy retailers gouging people. These are wholesale cost increases and vital infrastructure costs being passed onto us.

‘In the short-term, we think that the bushfire clean-up cost is going to add to that cost, but the silver lining here is that in the medium term, prices should drop.’

‘Renewable energy generation is cheaper than coal and set to drop further. Unfortunately, the cost of maintaining distribution infrastructure could cancel out these price savings.

‘This is because the energy grid needs updating to accommodate new renewable generation and ensure stability. This investment will help Australia achieve lower emissions and lower cost generation into the future,’ said Mr Capomolla.

‘It’s currently akin to trying to suck a pea through a straw. If we can update the energy transmission infrastructure and increase energy storage, we will improve energy flow and supply and put downward pressure on prices.’

Tango Energy will soon be following other retail energy suppliers by modestly increasing its prices on 4 February. But there is still value to be found in the energy market for those who shop around.

‘Not every retailer has put their prices up yet, and those that can secure a 12 month contract now can avoid paying the price increase for a year,’ said Mr Capomolla.

‘Consumers concerned about the fires should consider a GreenPower accredited energy plan, which encourages investment in renewable energy sources.

‘In terms of best fit and value for money, people should visit the Victorian Government’s “Energy Compare” website at https://compare.energy.vic.gov.au/ for an independent assessment of energy deals and pick up a $50 bonus payment from the state government for doing so.’

**Ends**

**Available for comment:** Domenic Capomolla, a 20 year veteran of the energy industry and current CEO of Tango Energy.

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