

Pricing review-Public forum 15/12/2025- Q&A

This document provides responses to questions received at the Pricing review draft report virtual public forum, held on 15 December 2025. We received a number of similar questions from stakeholders, and we have therefore grouped these by theme. Our responses are offered below by theme to avoid repetition. These responses should be read alongside the draft report and the slides for the public forum, which are available on our website [here](#).

Recommendations	Question	Answer
Recommendation 1 ‘Require energy service providers to charge all customers on the same plan the same price, to address the ‘loyalty tax’ on customers who don’t switch and ensure every customer is always on the best price’	How do you determine what is a ‘meaningfully different’ product or service?	<p>We recognise that a particular challenge that would need to be considered in implementation is how it would be assessed whether offers are ‘meaningfully different’.</p> <p>We consider at this stage that a range of options are available to address this challenge as set out in section A.2.3 of the draft report. We welcome feedback and suggestions from stakeholders on this.</p> <p>One option involves the AER providing guidance on what might constitute meaningful differences between offers, or types of prohibited differences, with energy service providers then following these principles.</p> <p>For example, ‘meaningfully different’ could be defined as plans that have at least one material difference from others offered by an energy service provider, which might include features including extra services, functionality, or differently priced usage periods.</p> <p>Some examples of plans that would likely not be meaningfully different include:</p>

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		<ul style="list-style-type: none"> • plans that are priced differently based on the age of contract • insignificant differences in time of use periods or minor differences in prices.
	<p>Have you considered the negative flow-on effects of removing acquisition offers? For example, in wholesale market contracting or for more active customers?</p>	<p>We want to hear stakeholders' views on the potential impacts of our recommendations.</p> <p>Our draft report in section A.2.3 outlines that energy service providers would likely face transitional costs for system and process changes, including updating their marketing and acquisition approaches, and ongoing compliance workflows to ensure customers are always charged the relevant public price, and to ensure plans are offered to their existing customers.</p> <p>We consider that if this draft recommendation were to be implemented, more engaged customers may no longer benefit to the same degree they do now from shopping around regularly to access low-priced acquisition offers.</p> <p>However, we consider this draft recommendation could encourage competition on genuine differentiation in service, product features, and long-term value, rather than tactical and short-term acquisition pricing. This greater transparency could improve consumer</p>

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		outcomes and lead to a more stable market structure.
	Why not go further and limit the amount of money retailers can spend on acquisition?	The draft recommendation intends to address loyalty taxes and channel competition toward innovation and product differentiation. We would be interested to understand why stakeholders consider this option would better achieve the intent than our current recommendation.
Recommendation 2 'Introduce a competitive franchise for the cohort of customers who haven't chosen a market offer, so that all customers are on a competitive plan'	What alternative approaches did you consider for addressing customers who have not chosen a market offer?	<p>Our draft report set out our discussion of this option in section A.3.3.</p> <p>We are interested in hearing if there are alternative options available to enable the benefits of competition to reach standing offer customers.</p>
	How can competitive auctions for standing offer customers work in jurisdictions where the retail and wholesale market is very concentrated?	We recognise in section 4.2.3 of the report that there are a range of differences that could interact with the implementation of some of the recommendations. We are interested in stakeholder views on what these interactions could be.
	What happens if the auctions for standing offer customers produce higher rates than the DMO/VDO?	As set out in section A.3.3 of our draft report, we consider that this mechanism could replace, over time, the existing pricing safety nets of the default market offer and the Victorian default offer.

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		We are interested to hear from stakeholders on the potential risks and benefits of our recommendations, and what steps could be taken to support them in achieving their intent.
Recommendation 3: Periodically review whether regulations are supporting good consumer outcomes in an evolving market	Will the AEMC seek to apply similar periodic reviews on the distribution networks regarding competition and misconduct?	The AEMC released a draft terms of reference for consultation on the electricity network regulation review on 18 December 2025. This review will touch on compliance and enforcement regulations for distribution networks. We encourage stakeholders to engage with this review as it progresses.
	How did you decide the AEMC might be better placed than the AER to conduct the periodic review of customer outcomes?	<p>Our view is that, as the rule maker, the AEMC is best placed to review the ongoing effectiveness of relevant regulations and indicate where improvements may be warranted.</p> <p>We are interested in stakeholders' views on whether this proposed reform is necessary and if so, which organisation would be best placed to undertake the role.</p>
Recommendation 4: Provide the AER with additional funding to upgrade Energy Made Easy so that consumers can easily compare electricity offers, including new and emerging types	How many unique NMI users use EnergyMadeEasy in a typical year?	<p>Based on the AER and ACCC's 2024-25 annual report there were:¹</p> <ul style="list-style-type: none"> • 1,259,000 energy plan searches on EnergyMadeEasy • 181,000 customers who switched retailers after completing a search on EnergyMadeEasy using their National Metering Identifier (this does not

¹ See page 3 of the AER and ACCC 2024-25 [Annual Report](#).

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		include those who used a manual bill entry or a quick compare).
	How will you ensure compliance with EnergyMadeEasy requirements on retailers?	<p>Retailers' compliance with EME requirements is governed by the AER's retail information pricing guideline.</p> <p>The AER is currently reviewing its retail guidelines and any changes to information requirements may mean different compliance obligations on retailers.</p>
	Are there any considerations or contingencies to help support any additional funding to the AER will result in cost-efficient improvements?	The AEMC cannot directly impact the AER's funding. We welcome stakeholder views on this recommendation.
	What options are recommended for customers who are not able to use digital platforms such as EnergyMadeEasy?	<p>Customers who can not use digital services can still call EnergyMadeEasy directly and be guided through the comparison service. Customers can use this service by calling 1300 585 165.</p> <p>Customers in financial hardship or payment difficulty can use financial counsellors to assist them in finding the best energy plan. Similarly, there are community organisations and advocacy services that can assist other consumers in finding the right plan, for example Disability Advocacy NSW (and similar state based organisations) can help consumers understand their bills or switch retailer.</p> <p>Improvements to the quality of information presented in bills and plans as part of the</p>

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		AER's retail guidelines review may also assist consumers who communicate directly with their retailer.
Recommendation 5: Amend the rules to focus network tariff design on efficiency, supporting a lowest-cost grid and a fairer sharing of costs among consumers	How does the AEMC's recommendation support innovative products and services?	<p>Ensuring network tariffs are designed for efficiency would better reflect the real time cost of using the network, this includes dynamic locational signals as well.</p> <p>Our draft recommendation to move towards more real time cost signals – where appropriate - would create new potential revenue streams and opportunities, potentially encouraging innovative and sophisticated products for engaged consumers and intermediaries.</p>
	Has the AEMC's previous view on cost-reflective pricing changed?	The existing network pricing principles, and tariff structure statement process, were largely introduced in 2014. The network pricing principles are based on solid economic foundations and appropriate for a world where retailers and, where appropriate, consumers cannot respond to price changes in real-time. We would like to hear from stakeholders about how our recommendations support consumers and emerging technologies, such as electric vehicles and batteries.
	Is the AEMC intending for these reforms to lead to locational distribution network pricing?	The package we are recommending would augment networks' current approaches to tariff design with the ability to design tariffs on the basis of shorter-run, more real-time cost signals. We have proposed new objectives and incentives that would encourage a move towards these new tariff

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		<p>designs in the times and places where doing so would be valuable.</p> <p>We also note that the CER Taskforce's <i>Redefining roles and responsibilities for power system and market operations in a high CER future</i> final advice to Energy and Climate Change Ministerial Council suggests networks should use dynamic network tariffs at 'specific times and places' on the network.² We consider that our recommendations support this vision.</p>
	Will networks participate in short term markets and bidding alongside retailers?	This is not something we have covered in this review. The Redefining roles for market and power system operations (M3/P5) workstream of the CER Taskforce is considering related matters.
	How does the draft report deal with the treatment of batteries by distribution networks with respect to DUoS?	<p>The draft report discusses this issue on page 102.</p> <p>We have sought to clarify that residual costs should be allocated to consumers in ways that minimise the distortion of consumer or energy service provider behaviours. For prospective users, such as grid scale battery energy storage systems, networks would need to consider what allocation of residual costs might distort their decision to site and connect to their network.</p>

² [Redefining roles for market and power systems operations \(M3/P5\) final report | energy.gov.au](#)

Recommendations	Question	Answer
	<p>How does the move to more fixed charges in the long-term interest of consumers?</p>	<p>In section D.2.2 we have sought to clarify how residual network costs should be better allocated to consumers in ways that do not distort decisions. We consider that this would likely result in more fixed charges.</p> <p>We consider that the move to higher network fixed charges is in the long-term interests of consumers for a number of reasons:</p> <ul style="list-style-type: none"> • It addresses the issues arising from the current tariff framework. These include consumers being encouraged to shift costs between those who can and can't afford CER and to respond to network signals. It also includes consumers being encouraged to change their behaviours and habits without a strong link to potential network cost benefits or savings. • It improves network utilisation by supporting consumers' ability to make use of the network through the removal of unnecessary signals • It provides clearer signals of the value of CER to the system to those making long term invest decisions, for example purchasing battery systems

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	Has the AEMC considered the role of OEMs to deliver dynamic network signals and respond on behalf of consumers?	<p>The recommendations we have made will create new opportunities for energy service providers and OEMs to design and deliver products and services that create value for consumers.</p> <p>We look to the CER Taskforce's <i>Redefining roles and responsibilities for power system and market operations in a high CER future</i> final advice to Energy and Climate Change Ministerial Council. This work looks to require networks to offer dynamic pricing in more consistent ways to reduce transaction costs for energy service providers and OEMs who will design products to respond to these prices.³</p>
Recommendation 6: Amend the rules to ensure networks design tariffs for energy service providers, rather than directly for customers, to promote more flexible and innovative retail offers	How will DNSP engagement have to change?	Depending on our final recommendations, we would expect networks to engage more deeply with energy service providers to understand which signals they can cost-effectively manage for their customers.
	Can we trust that retailers will be able to create meaningful range of products for all of its customers?	Our recommendation for networks to design more efficient network tariffs will support energy service providers to create a range of more 'basic' products and more 'innovative' products, that help deliver lowest system costs and good customer outcomes. Efficient network price signals, along with competitive pressures that will be supported through recommendation 1, should ensure that energy service providers

³ [Redefining roles for market and power systems operations \(M3/P5\) final report | energy.gov.au](#)

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		<p>are competing to create a meaningful range of products for all of its customers.</p>
<p>Transitional: Consider transitional measures to manage the impact on consumers of these changes</p>	<p>Have you done consumer analysis on the impact of increasing fixed network costs for different consumer groups?</p>	<p>We are undertaking customer impact analysis for the final report. This modelling will use several illustrative network fixed-charge designs and network tariff transition strategies, and will be based on real customer usage data provided to us by networks.</p> <p>We also welcome any stakeholder ideas or data that can help our understanding of this fundamental issue. We would welcome input from energy service providers, including on what these changes could mean for them and what the AEMC should consider as we progress our work towards a final report in 2026.</p>
	<p>How will the negative effects of raising fixed costs be mitigated? Can this be explained further?</p>	<p>In section 4.1 of the draft report we propose transitional measures to manage the impacts of a move to higher fixed charges from networks and potentially from energy service providers.</p> <p>Reforms at the network level may be sufficient to support energy service providers to support good customer outcomes. However, further reforms where the impact on customers is managed through energy service providers and</p>

Recommendations	Question	Answer
		transitional customer protections may need to be considered. We are interested in stakeholder views on this for the final report.
Process and Subs	Is there room to extend the date submissions are due?	If there are concerns with meeting the 13 February 2026 submission deadline, please reach out to the project team to discuss if there is anything we can do to assist you.