

February 2026

SUBMISSION: The pricing review: Electricity pricing for a consumer-driven future

Dear Commissioners,

Thank you for the opportunity to respond to the Australian Energy Market Commission's review of electricity pricing for a consumer-driven future.

I am writing as the Founder and CEO of **Brighte**, Australia's largest provider of finance for household solar and battery systems, and a platform partner to corporate and government energy programs. Since inception, Brighte has financed more than **\$2.3 billion** of clean energy equipment for Australian households and works with over **2,500 CER retailers and installers** across the country to support their customers and businesses.

Brighte sits at the intersection of household decision-making, small business delivery, and private capital deployment into the energy transition. As such, we see firsthand how pricing signals translate into customer uptake, payback economics, and the ability of industry to scale solutions that deliver system-wide benefits.

While we support the AEMC's objective of fairness and cost recovery in a rapidly changing system, we have significant concerns about aspects of the draft recommendations — particularly **Recommendation 5**, and the way it interacts with **Recommendation 6**.

Consumer Impacts & Household Harm

Household investment in solar and batteries is highly sensitive to visible bill savings and payback periods. Even modest changes to network tariff structures materially affect customer decision-making at the point of purchase.

A shift toward higher fixed, unavoidable network charges reduces the “avoidable” portion of a household's bill and directly extends payback periods for solar and battery systems. In practical terms, this risks:

- reducing uptake among new households considering CER investments;
- eroding the expected savings for households who have already invested; and
- increasing bills for consumers who have made good-faith investments based on existing price signals.

From a consumer perspective, this represents a form of **retrospective harm**: households who invested capital to support the energy transition may face higher bills and diminished value through no change in their behaviour, but due to regulatory redesign.

We question whether the distributional impacts on existing CER households — including higher ongoing costs and reduced value from flexibility — have been fully assessed in the draft recommendations.

Impacts on industry, small business & private capital

Brighte's platform supports thousands of small and medium-sized Australian businesses — installers, retailers and service providers — whose viability depends on predictable customer demand and investable economics.

Higher fixed charges weaken the commercial case for CER by:

- extending customer payback periods;
- lowering conversion rates at the point of sale; and
- increasing uncertainty for businesses financing and scaling consumer offerings.

This has direct implications for:

- the cost of capital required to fund CER deployment;
- the ability of retailers and installers to grow sustainably; and
- Australia's capacity to mobilise private investment at scale.

These impacts flow beyond energy policy into **small business growth, employment, and productivity** — outcomes that are not explicitly addressed in the draft report.

Competition & Market Structure Concerns

We are particularly concerned that increasing reliance on fixed network charges, combined with regulated asset base incentives, risks weakening competition in the consumer energy market.

Where network businesses are guaranteed revenue recovery through fixed charges regardless of utilisation, there is reduced incentive to:

- support non-network solutions;
- partner with competitive service providers; or
- enable consumer-led alternatives that defer or avoid capital investment.

This creates a structural bias toward network asset growth and risks crowding out competitive, technology-led business models that are central to a consumer-driven transition.

While we support the intent of **Recommendation 6** to recognise the role of retailers and aggregators in managing complexity, this only works if meaningful variable and time-based pricing signals are preserved. Without those signals, competitive business models — including orchestration, VPPs, demand response and smart charging — become harder to finance and scale.

Changing market conditions require an updated assessment

The draft recommendations appear to rely on assumptions formed before the recent acceleration in household battery uptake and demonstrated consumer willingness to invest private capital in flexibility.

Since the introduction of the Cheaper Home Batteries program, the market has changed materially:

- household battery demand has surged;
- consumers are actively investing in system-supporting assets; and
- new business models are emerging to coordinate these resources at scale.

We question whether the draft recommendations adequately reflect this “new world”, or whether they risk locking in pricing structures based on outdated assumptions.

Request for further consideration

Given the scale and irreversibility of the proposed changes, we strongly recommend that the AEMC undertake — or commission through an independent third party — an updated assessment of how costs and value accrue to different participants under the proposed pricing reforms.

This assessment should explicitly examine:

- impacts on household payback periods and customer uptake;
 - costs borne by existing CER households;
 - effects on CER business models, competition and private investment; and
 - long-run system costs compared with consumer-led flexibility alternatives.
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Closing

Australia’s consumer energy transition has been driven by households and small businesses responding to clear, investable price signals. Pricing reform should protect fairness and cost recovery without undermining the incentives that have enabled private capital, competition and innovation to deliver system benefits at scale.

We encourage the AEMC to carefully consider whether the draft recommendations, particularly Recommendation 5, risk weakening those foundations at a critical point in the transition.

Thank you for the opportunity to contribute. We would welcome the opportunity to engage further.

Yours sincerely,
Katherine McConnell
Founder & CEO
Brighte