



Part of Energy Queensland

12 February 2026

Ms Anna Collyer
Chair
Australian Energy Market Commission
Project reference code: EPR0097

Dear Ms Collyer,

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

Queensland's two distribution network service providers (DNSPs), Ergon Energy Corporation Limited (Ergon Energy Network) and Energex Limited (Energex), welcome the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on its Draft Report on *The Pricing review - Electricity pricing for a consumer-driven future* (Draft Report).

We acknowledge the AEMC's ongoing efforts to promote Australia's future productivity and improve consumers' living standards through its governance role of the National Electricity Market (NEM) and support the direction of the AEMC's Draft Report with respect to reforming the framework for network tariff design to lead to better outcomes for customers. The release of the Draft Report further reinforces the growing challenges facing vulnerable customers, particularly as advances in consumer energy resources benefit customers who can take advantage of these at the expense of those who cannot. This equity divide will progressively widen in the absence of network reforms such as those proposed in the Draft Report, which Ergon Energy Network and Energex support.

With respect to the Draft Report's proposals to amend the National Electricity Rules (NER) that are aimed at strengthening the efficiency of network tariff design and promoting a fairer sharing of costs among customers, we offer the following observations:

- **Network tariff design**

We support the proposed amendment to the NER to require network tariffs be designed for energy service providers rather than for end customers. While we consider that replacing the customer impact principle with an energy services provider impact principle would be the most effective way to enable this change, it would not diminish our continued focus on our customers.

- **Dynamic charges**

We consider that:

- The price signalling function of dynamic charges, including the balancing of penalties and rewards will require significant development. This will necessitate IT and billing system enhancements by DNSPs, resulting in new costs that are not currently provided for, and would only be recoverable in their next regulatory control periods or through a cost pass through regulatory change event.¹
- DNSPs should retain discretion to nominate the network level for applying dynamic charges, whether at the zone substation, 11/22 kV feeder, or distribution transformer level, to ensure they can maximise the network augmentation deferral benefits for their individual networks.
- The current basic export level provisions² in the NER would need to be amended if dynamic charges are introduced, to prevent regulatory inconsistencies.

- **Fixed charges**

A transition period, backed by a set timeline, should apply for the move to predominantly fixed charges to enable stakeholders sufficient time to prepare and adapt.

- **Existing tariffs**

Consideration should be given to existing network tariffs including when these would be removed such as in each DNSP's next Tariff Structure Statement (TSS).

- **Consequential regulatory amendments**

We consider that a supporting enabler of these reforms is the Energy Network Australia's proposed rule change to increase flexibility to amend DNSPs' TSSs to best meet the needs of customers by allowing the implementation of innovative, optional tariffs for customers with unique characteristics.³

- **Implementation approach**

The AEMC's proposed changes should be implemented in a practical and appropriately staged manner to ensure DNSPs and energy service providers have adequate time to develop, test and deploy effective and efficient solutions. This approach will help manage implementation risks and minimise any unintended impacts on customers and market participants. In this context, we support the inclusion of a transition period and a structured glide path to facilitate the introduction of these reforms.

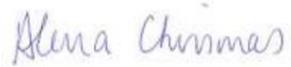
¹ See clause 6.6.1 of the NER.

² The basic export level is the amount of electricity that a customer can export to the grid at no cost. See clauses 11.141.12 - .14 of the NER.

³ [Consolidated Rule change request - Increasing Flexibility to Amend Tariff Structure Statements.](#)

This submission contains no confidential information and may be published. Should the AEMC require additional information or wish to discuss any aspect of this, please contact either myself, or Lindsay Chin on 0459 642 052.

Yours sincerely

A handwritten signature in blue ink that reads "Alena Christmas".

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