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Australia's future is SOLAR
Solar Energy Industries Association INC

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**Energy pricing review**

As a solar industry body we are extremely concerned about the proposed increase in fixed costs at the expense of user tariffs. At the levels of increase proposed, the approach is at best short sighted and in the long term will be detrimental to the network as a whole, the rollout of renewable energy in the residential market, as well as to solar and non-solar households directly.

The approach is short-sighted because the increase in electricity use from EV charging, data centres and the general switch from gas to electricity, will mean that tariffs for energy use and the capacity to recover network costs will have a substantial future. It is important that AEMC has a longer term strategic plan rather that the short term one that is reflected in this current proposal.

For years there has been an encouragement for consumers and businesses to install solar and now batteries, which they have done in great numbers. They made those investments with a view to reducing their own energy footprint as well as contributing energy to the grid. After they have in total invested billions of dollars, to suddenly change the basis for those decisions and negate the benefits they planned for their energy use is ethically wrong and seems like a decision steeped in bureaucratic bungling and lack of imagination.

It is important that the rollout of renewable energy for residential and commercial premises be maintained and actually increased if the energy goals for 2030 are to be realised. Hiking fixes costs to a point that tariffs become increasingly irrelevant will be a disincentive for future solar and battery installations. Showing the benefits of connecting to a VPP will provide long term solutions, not raising fixed costs.

The cost of solar and batteries has reduced over the years to a point where people are installing larger systems. As a long time solar installer for 50 years, I have always recommended to customers that they remain on the grid as being a far better option, even if feed-in-tariffs are low. With your proposal, this may change. These larger systems have the capacity for consumers to leave the grid if the fixed costs become onerous. This can, if substantial, have a negative impact on the grid with less battery capacity for daytime storage, fewer consumers taking up a VPP option which would support the grid, and spreading network costs across a smaller number of consumers.

Whilst for commercial users, increased fixed costs may be a small portion of the power bill, for average households it is already a major component and will cause serious financial grief to those who can least afford it. This is not just about pensioners who are the most obvious victims of such a move, but it also affects mortgage holders who are currently stressed, property owners who are on low incomes, and renters who are already with their back to the wall. To propose these large increases in fixed costs indicates a total lack of awareness and empathy about how people in the community are coping in this current environment.

Whist SEIA understands the motive behind this proposal, there are many other ways to tackle this issue that supports the consumers you are tasked to protect, as well as providing a better long term future for the network moving forward. We strongly recommend that this proposal be abandoned and other options to provide the same benefit in the longer term be developed.

Yours sincerely,

Brian England
Board Member, SEIA