

Rainbow Power Company Submission to the AEMC

Project: *EPR0097 – The pricing review: Electricity pricing for a consumer-driven future*

Date: February 2026

Submitted by: *Rainbow Power Company (RPC), Nimbin NSW – Off-grid and hybrid solar specialists supporting households, schools, community organisations and small businesses for nearly 40 years*

1. Introduction

Rainbow Power Company (RPC) welcomes the opportunity to comment on the AEMC's Draft Report proposing changes to how electricity network charges are recovered.

RPC is a medium-sized Australian renewable energy business supplying and designing solar, battery and hybrid systems for thousands of households and community organisations nationwide. We write this submission on behalf of our customers – households, small businesses, remote communities, and energy-conscious consumers who rely on fair, transparent, and efficient electricity pricing to make informed investment decisions.

We are deeply concerned that the Draft Report signals a shift toward predominantly fixed, unavoidable network charges, and we strongly oppose this direction.

2. RPC strongly opposes a shift to predominantly fixed network charges

The proposal would move Australia away from dynamic and usage-based pricing – where customers retain control over their bills – towards high, unavoidable fixed fees.



RPC opposes this proposal because:

- Fixed charges remove consumer agency. Customers can no longer control network costs by managing consumption, shifting demand, or investing in solar and batteries.
- They undermine efficient behaviour and load-shifting, which are essential for a modern, flexible electricity system.
- They conflict with the objectives of the energy transition by weakening incentives for distributed energy resources (DER), efficiency and electrification.

This direction is inconsistent with international best practice, where regulators are *reducing* fixed charges to encourage flexibility and fairness.

3. Impacts on Solar and Battery Uptake – A Major Threat to the Clean Energy Transition

RPC is deeply concerned that high fixed charges will significantly erode the economics of household solar and batteries.

Modelling by Green Energy Markets shows:

- Existing solar + battery households face \$400–\$680 per year bill increases.
- Payback periods for new systems rise to 10+ years, in many cases exceeding battery warranty periods.
- Financial incentives to invest in solar and batteries collapse.

As a business that supports thousands of households making their own clean energy, we know from experience that cost-effectiveness is the number one driver of adoption.

If fixed charges dominate network recovery:

- Solar and battery sales will decline sharply.
- Regional and remote communities – already facing high energy costs – will lose critical opportunities for bill savings and resilience.
- Australia risks overshooting renewable energy and emissions-reduction targets.

This proposal would deliver industry-wide contraction at the precise moment Australia needs rapid DER growth.



4. Equity and Social Impact – Fixed Charges Are Regressive

RPC works extensively with low-income households, remote communities and small Indigenous organisations. These customers typically:

- consume less electricity,
- have limited ability to electrify or invest in DER, and
- already face the highest cost burdens in Australia.

Under a fixed-charge model:

- Low-consumption and lower-income households pay *disproportionately more*.
- High-consumption households are effectively rewarded.
- Vulnerable consumers permanently lose the ability to reduce bills through efficiency or behaviour change.

The inequity would be structural, not transitional.

For our customers in remote and regional Australia, many of whom have been encouraged to adopt solar to reduce bills and diesel use, this proposal creates unnecessary hardship while undermining clean energy adoption.

5. Lack of Evidence and Transparency

We are concerned that:

- This was a self-initiated AEMC review.
- The most consequential proposal – predominantly fixed charges – was not tested through the Stakeholder Reference Group.
- No published bill modelling, consumer impact analysis or real-world evidence supports this shift.

Given the scale of consumer harm and industry implications, a far higher evidentiary threshold is required before any fundamental change is even contemplated.

The absence of transparent modelling significantly undermines confidence in the Draft Report.



6. Real-World Experience from RPC Customers

RPC sees daily how customers respond to price signals:

- Time-of-use tariffs drive load-shifting (pool pumps, EVs, hot water, appliances).
- Solar households invest in batteries specifically to reduce peak-period network use.
- Low-consumption households rely on efficiency and behaviour change to manage bills.

A predominantly fixed charge destroys these benefits.

If the AEMC adopts this proposal, many of our customers – including vulnerable households – will see higher bills through no fault of their own.

7. Request to the AEMC

Rainbow Power Company strongly urges the AEMC NOT to progress the shift toward predominantly fixed network charges.

We call on the Commission to:

1. Retain dynamic, consumption-based and time-of-use pricing as the primary mechanism for network cost recovery.
2. Publish complete bill impact modelling and distributional analysis before any further consideration.
3. Protect and strengthen incentives for rooftop solar, batteries, energy efficiency, flexible demand and electrification.
4. Ensure equity is central to all pricing reforms, particularly for low-income and low-consumption households.
5. Align network pricing reform with Australia's renewable energy and emissions-reduction goals, not against them.



8. Conclusion

The AEMC's proposal represents one of the most significant backward steps in modern Australian electricity policy.

Predominantly fixed network charges would:

- Harm households
- Harm vulnerable customers
- Harm the economics of solar and batteries
- Harm industry viability
- Harm Australia's clean energy transition

RPC urges the AEMC to abandon this proposal and instead strengthen price structures that support fairness, efficiency, DER uptake and consumer choice.

We appreciate the opportunity to provide feedback and would welcome further engagement.

Paul O'Reilly
Business Development Manager
Rainbow Power Company
Nimbin NSW Australia
paul.oreilly@rpc.com.au
+61 2 6689 1430

