

I am writing to formally express my opposition to the proposal to shift network pricing toward predominantly fixed charges.

Australia's diverse population requires a nuanced solution rather than a one-size-fits-all approach.

Fixed, unavoidable charges reduce consumer control over their electricity bills, undermine equity, and weaken incentives for efficient energy use.

In an evolving electrical landscape, the AEMC must adapt to the needs of consumers in 2026 and beyond, not the other way around!

Currently, these proposed charges feel restrictive, preventing Australian consumers from achieving energy independence through rooftop solar or choosing to reduce their energy consumption to manage costs. Instead of fostering growth, this policy creates a forced environment that prioritises network interests over consumer choice.

The draft report indicates that since 2014, increased consumer choice and flexibility have delivered significant system efficiency gains. Peak electricity demand remains below 2008 levels, leading to improved network utilization and clear economic benefits. Specifically, these reforms have applied downward pressure on consumer bills by reducing the need for network expansion.

However, the "transition to cost-reflective network tariffs has created both winners and losers".

The proposed solution: It appears to maintain the "Winners and Losers" issue.

As stated in the Draft Report summary regarding the expected impact on consumers.

"Transitioning to higher fixed network charges may create winners and losers, as some customers end up paying less than they used to, while others may pay more. We recognize that it is essential to ensure that the impacts of any tariff changes are manageable for all consumers."

Given that consumers currently have the right to choose their level of energy independence (rooftop solar or reducing their energy consumption without the burden of a high fixed charge), why is a change being proposed that will inevitably continue to create "winners and losers"?

How can this be considered equitable while attempting to balance "winners and losers"?

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Who will be the "loser"?

- Proactive Home and Business Owners: Individuals who work multiple jobs and overtime to invest in solar energy for their homes, businesses, or rental properties. These efforts reduce electricity bills, support Australia's emissions targets, and put less pressure on the grid.
- Financially Vulnerable Individuals: Those struggling financially who limit their energy consumption to save money, only to be met with a high fixed charge regardless of their usage.
- Engaged Tenants: Proactive tenants who work with their landlords to install solar power so that both parties can benefit. Which under this proposal would save them less on their electricity bill, due to a high fixed charge.

While I understand there may be financial requirements for grid maintenance and the electrical world has evolved. Rooftop solar and battery storage have surged—bringing electricity bills down and perhaps leaving a financial gap to prompt action. However, **I believe that achieving a stable energy future requires a more "equitable" solution rather than one that appears to capitalise on the "losers".**

You have an opportunity to truly understand energy consumers and work with them, rather than pushing them toward a financial breaking point.

Many consumers who can afford it are seeking energy independence through rooftop solar and battery storage, yet they still value the grid for security. Current VPP models often miss the mark, and there is significant room for improvements that would provide mutual benefits for all stakeholders.

We are already seeing individuals bypass warranties to use hybrid systems off-grid. If those who have invested in hybrid solar find their bills increasing due to proposed charges, they may choose to purchase a cheap generator, pay the disconnection fee, and leave the grid entirely.

Furthermore, these proposed charges threaten Australia's renewable energy targets and emissions reduction goals by undermining the primary financial incentive for adopting solar and battery storage. We must consider the long-term impact on future generations.

Conversely, many residents in my shire who cannot afford these systems are forced to seek cooling in shopping centres to avoid high power bills. Under the proposed structure, these vulnerable households would be required to pay a high fixed charge regardless of their ability to reduce energy consumption.

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I don't know the solution but I do know this "one-size-fits-all" approach of a predominantly fixed charge, is not the answer.

It will likely become a divisive political issue. This structure is unfair to financially strained consumers who deserve the right to reduce their usage to save money without the burden of high fixed costs. Furthermore, it penalises those who have invested in rooftop solar and battery storage specifically to lower their expenses and contribute to environmental sustainability.

Both groups of consumers are seeking to manage their costs effectively, and both deserve a fair outcome and to be the "WINNERS".

In 2026, an essential utility like electricity should not be treated like a subscription service like "Netflix" with predominantly fixed charges.

Lastly, given that this is a self-initiated review, I believe the AEMC should not progress with such a fundamental change without first publishing detailed bill impacts, a distributional analysis, and clear evidence regarding consumer and retailer behaviour.

I urge the AEMC to reconsider this proposal and prioritise pricing structures that empower consumers and support a sustainable energy future!

Respectfully,

The K.A.W Electrical & Solar Team