

To: Australian Energy Market Commission (AEMC)

Project ID: EPR0097

Subject: Submission to Draft Report: Electricity pricing for a consumer-driven future

Date: 12 February 2026

1. Introduction and Interest in the Review

I am writing as a private citizen and a long-term participant in the National Electricity Market (NEM). I have owned rooftop solar for 6 years and recently invested in a home battery system. My investment was made in good faith to reduce my cost of living, contribute to decarbonisation, and reduce my reliance on a volatile grid.

I welcome the opportunity to comment on the *Pricing review: Electricity pricing for a consumer-driven future* draft report. However, I am deeply concerned that the proposed direction—specifically the shift toward significantly higher fixed network charges—will be counterproductive to the National Electricity Objective (NEO).

2. The Unfairness of Increased Fixed Charges

The draft recommendations appear to favor a move toward higher fixed daily supply charges. As noted by energy advocates and recent analysis (e.g., *Renew Economy*, Feb 2026), this shift represents a "tax on the poor" and a penalty for proactive consumers.

- **Impact on Low-Income Households:** Fixed charges are regressive. They disproportionately affect low-income earners, renters, and apartment dwellers who have the least capacity to increase their consumption or afford the "access fee" regardless of how little energy they use.
- **Devaluation of Consumer Investment:** For households like mine that have invested thousands of dollars in solar and batteries, an increase in fixed charges directly undermines the "payback period" of our investments. By shifting costs away from volumetric (usage-based) charges to fixed fees, the AEMC is removing the primary incentive for consumers to manage their own demand and reduce grid pressure.

3. The Risk of a "Grid Death Spiral"

The AEMC must acknowledge the rapidly changing technological landscape. Unlike a decade ago, the grid is no longer a natural monopoly with no alternatives.

As a battery owner, I am increasingly capable of self-sufficiency. If the AEMC permits network businesses to quadruple fixed charges (as some analyses suggest), the economic rationale for remaining connected to the grid disappears.

- **The Gas Network Comparison:** We are already seeing the "death spiral" in gas networks, where declining participation leads to higher costs for those remaining, triggering further disconnections.

- **Incentivising Disconnection:** If fixed daily charges become a significant portion of the bill, many solar and battery owners will find it cheaper to add a few extra panels and a second battery to go "off-grid" entirely.

Each household that disconnects leaves the remaining "sunk costs" of the poles and wires to be paid by a smaller pool of consumers—predominantly those who cannot afford solar or batteries. This is the definition of an inequitable outcome that fails the NEO.

4. Addressing the National Electricity Objective (NEO)

The AEMC's decision-making framework is centered on the long-term interests of consumers. I submit that the draft recommendations fail this test because:

- **Price:** They increase the non-avoidable costs for the most vulnerable consumers.
- **Reliability & Security:** Mass disconnection of Consumer Energy Resources (CER) reduces the pool of flexible assets (like batteries) that the grid desperately needs for stability.

5. Recommendations

Instead of shielding network businesses from the reality of declining throughput via fixed charges, the AEMC should:

1. **Limit Fixed Charge Increases:** Ensure that the majority of network cost recovery remains volumetric to reward efficiency and self-consumption.
2. **Encourage Participation, Not Extraction:** Create genuine incentives for battery owners to support the grid during peaks, rather than punishing them with high access fees.
3. **Recognise Alternatives:** Take seriously the threat of grid defection and ensure the grid remains an attractive, value-adding service rather than a mandatory tax.

6. Conclusion

The proposed shift toward higher fixed charges is a short-sighted attempt to protect the revenue of network businesses at the expense of equity and innovation. As a solar and battery owner, I urge the Commission to reconsider these recommendations to avoid forcing a mass exodus from the grid, which would leave the most vulnerable Australians carrying the cost of a crumbling monopoly.

Sincerely,

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