

Summary of Submission to the AEMC's Network Tariff Reform

This submission opposes proposals to increase the fixed component of electricity network charges, arguing that such changes would unfairly penalise households that invest in rooftop solar, battery storage, and energy efficiency.

Using the example of a home with a 5 kW east-west solar system and a 13.5 kWh battery, the submission explains how these technologies reduce peak grid demand - the main driver of network costs - and help defer expensive infrastructure upgrades. Higher fixed charges would weaken the financial return on these investments, discourage future uptake of consumer energy resources, and reduce incentives for households to shift or reduce demand during peak periods.

The submission also raises equity concerns, noting that higher fixed charges disproportionately impact low-consumption and energy-efficient households, while benefiting higher-use customers. It argues that this approach is inconsistent with Australia's energy transition goals and would reduce overall grid flexibility.

Instead, the submission recommends maintaining and improving time-of-use and demand-reflective tariffs that reward behaviour which lowers system costs and supports a cleaner, more efficient electricity grid.

[REDACTED]
[REDACTED]
Date 12 February 2026

Submission to the Australian Energy Market Commission (AEMC)

Re: Draft Proposal to Increase Fixed Electricity Network Charges

I am writing to oppose the proposal to shift a larger proportion of network costs into fixed daily charges. This change would weaken price signals, reduce incentives for efficient energy use, and unfairly penalise households that have invested in solar and battery systems that actively support the grid.

I am a residential customer with a [REDACTED] **rooftop solar system (east–west split)** and a **Tesla Powerwall 2** [REDACTED]. My system is specifically designed to reduce peak grid demand and increase self-sufficiency, and it provides a practical example of why higher fixed charges are the wrong direction for network reform.

1. Fixed Charges Undermine the Value of Consumer Investment

Households like mine have made significant private investments to reduce strain on the grid:

- An **east–west solar layout** spreads generation more evenly across the day rather than creating a single midday export spike
- A **home battery** stores excess generation and discharges during the **evening peak**, when networks are most stressed
- As a result, my household draws **less power from the grid at peak times**, which is exactly when network costs are highest

Under a higher fixed-charge model, these beneficial behaviours are no longer rewarded. Regardless of how little peak demand I place on the network, I would still pay largely the same network charge as a high-consumption household that contributes heavily to peak infrastructure costs.

This removes the financial recognition of behaviour that helps defer network upgrades and lowers system-wide costs.

2. Solar + Battery Homes Reduce Peak Demand - the Main Driver of Network Costs

Network infrastructure is built to meet **peak demand**, not average consumption. My battery regularly discharges during evening peaks, reducing demand on local transformers and feeders at exactly the time they are under the most pressure.

If pricing structures move toward unavoidable fixed charges:

- The economic case for batteries weakens
- Fewer households will invest in storage
- Peak demand will be higher than it otherwise would be
- Networks will require **more capital upgrades**, not fewer

In effect, higher fixed charges risk increasing long-term system costs by discouraging the very technologies that reduce the need for network expansion.

3. The Proposal Penalises Efficient and Low-Consumption Households

A higher fixed-charge structure is inherently regressive:

- Households that use less grid electricity pay **more per kWh** overall
- Smaller homes, retirees, apartment dwellers, and energy-efficient households are disproportionately affected
- Consumers who have invested their own money in solar and storage see reduced returns, despite lowering system costs

Customers who have taken action to reduce emissions and support grid stability should not be cross-subsidising those who make no effort to manage demand.

4. Weakening Price Signals Reduces Grid Flexibility

Australia's future grid depends on **flexibility** - shifting demand, storing energy, and responding to price and system signals. Tariffs that reflect when and how electricity is used encourage:

- Load shifting out of peak periods
- Battery charging when renewable supply is abundant
- Reduced demand when networks are constrained

Fixed charges do the opposite. They dull behavioural signals and make it financially irrelevant *when* electricity is used. That is inconsistent with the needs of a modern grid with high renewable penetration.

5. Policy Misalignment with Energy Transition Goals

Federal and state policies encourage households to install rooftop solar and batteries because these systems:

- Reduce emissions
- Lower wholesale prices
- Improve energy resilience
- Reduce the need for network investment

Increasing fixed network charges sends a contradictory signal that slows adoption and reduces the financial viability of these technologies. It effectively penalises households participating in the energy transition.

6. Better Alternatives Exist

If the goal is more cost-reflective pricing, there are better tools than blunt fixed charges, including:

- Time-of-use network tariffs
- Critical peak pricing
- Demand-based tariffs that reflect actual peak contribution
- Incentives for flexible exports and battery participation in grid support programs

These approaches preserve price signals while still allowing networks to recover efficient costs.

Conclusion

Households like mine have invested in distributed energy to reduce grid demand, cut emissions, and improve system efficiency. A shift toward higher fixed network charges would penalise these efforts, weaken incentives for future investment, and ultimately increase long-term costs for all consumers.

I urge the AEMC to:

- Reject proposals that significantly increase fixed network charges
- Preserve strong usage-based and time-based pricing signals

- Ensure tariff reform supports, rather than undermines, consumer investment in solar, batteries, and demand flexibility

Network pricing should reward behaviour that reduces system costs - not discourage it.

Regards

A solid black rectangular redaction box covering the signature area.