

Submission on: The pricing review: Electricity pricing for a consumer-driven future

Lodged online.

Thank you for the opportunity to provide a submission.

As a member of the WA Expert Consumer Panel (ECP), I would like to suggest a simple approach to the structure of network tariffs. I have been involved in considerations of retail and network tariffs for many years in the industry in Western Australia. Besides wholesale electricity supply costs, network tariffs are a fundamental building block of retail tariffs and their structure. I only comment here on network tariff structure.

I suggest that you consider the merits of a two-part network tariff structure for residential and small business consumers as a starting point before addressing other tariff setting needs:

1. A fixed supply/connection charge based on the overall, socialised network costs of a standard basic supply of say 3 kVA, or 4 kVA (5 kVA? – level to be decided after proper consideration) capacity to reflect that electricity is an essential, minimum capacity service that needs to be supplied to most consumers.
2. A variable demand charge per additional kVA of network capacity, over the basic supply capacity value, based on the extra network cost of providing capacity for that individual customer's extra demand at the time(s) of the network and network elements' annual peak demands (critical network peaks). I refer to this as a customer's coincident peak demand (above the basic supply capacity). The 'time' is likely to need to be a time period (critical peak period) that mostly captures the times of network peaks given that they will vary in different part of the network. The time periods could be publicised in simple terms such as 'very hot or cold weather demand between 4pm and 8pm on those days' which the public would understand well.

The extra critical peak (coincident) demand reflects the marginal cost of supplying that extra network capacity, and so provides a price signal that properly reflects the main driver of network costs – extra capacity that has to be built, operated and maintained in the long term with all of the associated costs. Such a price signal is more likely to result in more efficient responses over time and more economically efficient outcomes for consumers overall, compared to current approaches.

I would be pleased to discuss this further if you wish.

I apologise for this brief submission, but I only became aware of this NEM consultation today, 13 February 2026, the submission closing date.

Sincerely,

[Redacted signature]

[Redacted contact information]