

# Submission to: Australian Energy Market Commission

## The pricing review - Electricity pricing for a consumer-driven future (EPR0097)

Dear AEMC

Thank you for producing the draft report and providing opportunity for feedback.

I strongly support AEMC stated aims to improve customer outcomes, including affordability, simplicity and choice, however I have serious concerns that introducing a predominantly fixed network tariff will not deliver such outcomes and therefore oppose that proposal strongly and request that AEMC do not move to implement fixed network tariffs and explain why as follows.

I am a home-owner who has for more than three decades worked to improve my family's health and comfort whilst minimising our energy and water bills by gradually improving the energy efficiency and sustainability features of our mid-1880's built weatherboard house in Victoria.

We have invested, usually as early-adopters, in good insulation wherever and whenever possible, retrofit and new double glazing, LED lighting extensive draft proofing and efficient appliances. We were also early adopters of rain and grey water harvesting systems and small off-grid solar systems. We were grateful for the Federal Government's Interest Free Green Loan to install followed by grid-tied roof top solar and water storage tanks in 2009.

We recently made a large personal investment in a significant upgrade of our solar system, adding more panels and a battery, initially trialling a [REDACTED] Sodium Ion home battery, then upgraded to a [REDACTED] at our own cost. Recently with the help of the Federal Government's Home Battery Rebate we upgraded further to a [REDACTED] battery which I believe will enable us to transition to a mostly self-sufficient all-electric later this year. We have become a retail customer of Amber Electric offering wholesale prices to buy and sell electricity, we find this enables our [REDACTED] of solar panels to remain productive for much more of the day to charge the battery, rather than being (voluntarily) curtailed when the grid has oversupply, we then regularly discharge between 40% and 60% of our battery stored energy into the grid during energy shortages / peak demand, helping the grid. We don't make much money out of this but our bills are usually very low or slightly negative; we feel like we are making a real contribution to Australia's clean energy transition, but we have also justified the investments on the financial benefits as well.

I am deeply concerned that a predominantly fixed network tariff will remove the financial incentive for homeowners to invest in energy and therefore cost saving measures, as we have done.

I have been watching with interest in the last year or so the significant drop in volatility in the Victorian grid and the increase in electricity retailers offering varied plans that really incentivise consumers to shift energy use to optimise grid stability for financial reward. I believe the ability for retailers to become more creative and offer greater variety of plans that reward consumers

with differing usage requirements will be greatly restricted by predominantly fixed network charges and therefore will result in very negative outcomes for consumers. Quite the opposite to what Australia as a country, its population and global climate needs.

I would ask AEMC also to take account of my concerns in the following areas:

### **1 – Energy bills will rise, especially for low energy consumers.**

I oppose any moves to predominantly fixed network tariff structures that may have the effect of increasing the energy bills of household consumers. Your draft report states there is evidence the existing tariff structure has driven positive changes in energy consumption and usage patterns as well as investment in clean energy and efficiency initiatives; I submit that variable and time-of-use based tariffs should continue as they offer genuine opportunities for consumers to have agency.

### **2- Fairness and equity**

To be fair and equitable, it is only sensible consumers who place higher demands on the network should make higher contributions to the maintenance and improvements to the network. The AEMC draft report seems to suggest otherwise in many places. Any move to predominantly fixed network charges on the basis of connection only and not consumption levels, would be, I believe grossly unfair and inequitable, particularly for low energy consumers. There is evidence that households with high incomes are more likely to be high energy consumers, whilst low income households are generally low energy users, by necessity.

Network tariffs should be reviewed and optimised, by all means, however changes should ensure network pricing continues to reflect both consumption and time of use. Fixed network tariff components should remain relatively small in conjunction with larger tariff components being levied on greater levels of consumption. This principle is essential to ensure large grid consumers continue to and indeed increasingly pay their fair share whilst consumers that place small demands on the grid are rewarded, not disproportionately charged.

Case in point; the quite staggering amounts of electrical energy and potable water that large data-centres are now consuming from our limited resources has taken many by surprise, it would be totally unfair for Governments and the AEMC to permit such large scale commercial profit making enterprises to consume so much and place such great demands on the electricity transmission network whilst seeking to recover an increasing share of embedded network costs through household tariff changes. Such an arrangement will inevitably lead, as with Australian Governments permitting the export of Australia's natural gas, to massive increases in prices paid by the public consumers, disproportionately disadvantaging low income earners and the socially disadvantaged.

The regulators and Government should do more to provide assistance to low-income earners and renters to benefit from the energy transition. Matched Energy Supply Agreements are now available, such as enabled by Enosi's Powertracer; expanding such concepts to individual and groups of residences could help spread the cost and environmental benefits to residential consumers who for whatever reason unable to install solar panels and batteries.

### **3 – Maintaining incentives for investment in sustainable energy solutions**

Providing financial incentives for consumers to minimise their consumption where possible and adopt smart energy management strategies to shift usage has been shown to help grid stability, reduce market volatility and energy prices, which benefits all consumers and the network.

Where load shifting is not possible then network pricing based on consumption will continue to drive consumers at all levels in to invest in energy efficient appliances, machinery and industrial processes as well as in systems that capture, store, utilise and share renewable energy, to the benefit of everyone.

Moving to a predominantly fixed network tariff structure would undermine these financial incentives reducing future investment and also damage the business cases on which consumers have already invested in such initiatives. The better than-expected uptake in the Federal Government's home battery rebates has seen what must be amongst the best public-private investment schemes ever launched. It would be a travesty of justice to see the value previous customer investments decimated and the viability of future investments by home battery installers falter. That would be counter-productive to achieving Australia's clean energy and climate targets.

### **4- Backlash - Households going Off-Grid and the network losing behind the meter green energy supply and stabilisation resources.**

Should fixed tariffs result in higher electricity bills effectively simply for being connected to the network, I believe many consumers will disconnect from the grid; making the situation of equitably sharing the funding embedded network maintenance and improvement worse.

Our household owns a Vehicle To Grid / V2G capable EV and have been waiting for over two years for V2G to become available and supported by our network. Now that is getting closer, I can see real opportunity and benefits of expanding our stored energy capacity connected to the grid. I believe AEMC should encourage us to further help stabilise the grid and provide cheap green solar energy to others from that stored in both our home and vehicle batteries. However if our network tariffs increase it would be quite simple for us to disconnect our house from the grid entirely. Whilst I acknowledge certainly not everyone could do that, the number of households with solar panels, home batteries and V2L capable EVs are rapidly increasing. Smart control of inverters and power management is becoming mainstream and easy for households to control.

The days of needing a petrol or diesel driven standby generator to get through prolonged periods of low solar gain will soon be gone when owners of EVs with V2L capability will be able to simply drive to a charging station to fill the car battery and bring that energy home.

**My Requests:**

- 1- I ask AEMC to not progress the proposal to introduce predominantly fixed network charges
- 2- I urge AEMC act to retain tariff structures that encourage retailer agility and protect consumer agency, fairness and equity and encourages investment in energy efficiency and clean energy.
- 3- I ask AEMC in considering any tariff proposals, to ensure connection to major energy retailer operated VPPs remains voluntary for household customers, this is to ensure customers are able to retain control of their energy management as well as a fair share the financial benefits of wholesale electricity price volatility. When viewing the Retail Plans offered by major electricity retailers that include VPP, I see that almost all of the financial benefits go to the retailer and not the customer and I believe that situation would get much worse with predominantly fixed network tariffs.
- 4- Investigate tariff options that ensure large energy users contribute more to network costs than small consumers, and also investigate ways to get large consumers to contribute to funding solutions, such as retail systems to make easily available matched energy contracts or such, that provide more equitable retail plans for low income earners and customers who do not have the ability to install solar panels and batteries

Thank you for taking the time to read this submission.

After a career of 40 years as a sea captain / professional Master Mariner, I have tremendous respect for our planet, environment and the occupants. I am now studying home energy assessment and sustainability and consulting in smart home energy management as I have seen the real benefits it can provide. I hope to see those benefits flow to more people, not less.

**Submitted by:** [REDACTED] **13 February 2026**