

To: Australian Energy Market Commission (AEMC)

Subject: Opposition to Proposal for Predominantly Fixed Network Charges

I write to oppose the proposal to shift electricity network pricing toward predominantly fixed charges. Network pricing should continue to reflect consumption and time-of-use signals rather than relying on unavoidable fixed fees.

1. Opposition to predominantly fixed network charges

Predominantly fixed network charges remove consumers' ability to meaningfully control their bills through energy efficiency, demand management, or investment in distributed energy resources. They weaken incentives for efficient energy use and undermine long-standing pricing principles that encourage consumption at times that minimise strain on the grid. Pricing structures should instead preserve consumption and time-of-use signals that support efficient network utilisation and consumer agency.

2. Impact on solar and battery investment

Increasing fixed charges would materially undermine the economics of rooftop solar and household batteries. Households that have already invested in these technologies would see reduced bill savings, while households considering installation would see significantly weakened financial incentives. This risks slowing adoption of distributed energy resources, harming industry viability, and jeopardising progress toward Australia's renewable energy and emissions reduction targets.

3. Equity and affordability concerns

Predominantly fixed network charges are regressive. Low-consumption households, including many lower-income households, renters, and energy-conscious consumers, would pay more regardless of their ability to reduce usage. This entrenches structural inequities rather than addressing them and disproportionately burdens those who consume less energy and have fewer financial resources to absorb higher unavoidable costs.

4. Lack of supporting evidence

Given this review is self-initiated, such a fundamental change should not proceed without comprehensive and transparent evidence. Detailed bill impact modelling, distributional analysis across consumer groups, and real-world evidence of likely consumer and retailer responses have not been adequately published. Without this analysis, the proposal risks unintended economic and social consequences.

5. Importance of a distributed energy future

Energy policy should encourage the development of a distributed power network where households and businesses generate and store energy locally. Greater adoption of rooftop solar,

batteries, and local energy resources reduces reliance on centralised network infrastructure, lowers overall system costs over time, and improves resilience. Pricing reforms should support, not discourage, this transition toward a more decentralised and efficient energy system.

6. Requested outcome

I urge the AEMC not to progress the proposal to introduce predominantly fixed network charges. Instead, pricing structures should retain strong consumption and time-of-use signals that preserve consumer control, promote equity, and support continued investment in clean energy technologies while enabling a transition toward a more distributed and lower-cost energy network.

Conclusion

Electricity pricing reform should encourage efficient consumption, support Australia's transition to cleaner energy, and protect affordability and fairness for consumers. Moving toward predominantly fixed network charges undermines these objectives and should therefore be rejected.