

Cover email text: The proposal would significantly damage the roll out of renewable energy program. The proposal is not in the consumer's interest. There can be no trust that the level of the impost, would remain at a reasonable level.

Submission on Proposed Changes to Fixed Electricity Charges

EPR0097

I write to oppose the proposed increase to fixed electricity charges under EPR0097.

Impact on Low-Use and Investing Households

Increasing the fixed component of electricity bills would disproportionately affect households with lower electricity consumption, including those that have invested in rooftop solar and battery storage. These households have reduced their demand on the electricity network and made significant private investments that support Australia's clean energy transition. A pricing structure that leaves such consumers worse off undermines the principle that efficient and responsible energy use should be rewarded.

Reduced Incentives for Efficient Energy Use

Higher fixed charges diminish the financial benefits of reducing consumption. This weakens incentives for households to invest in solar generation, battery storage, energy-efficiency upgrades, and the maintenance or upgrading of existing systems. Over time, this risks slowing the growth of distributed energy resources that provide material benefits to the grid, including reduced peak demand and localised generation.

Equity Concerns

Shifting network costs into fixed charges has clear equity implications. Low-use households are most exposed, including pensioners, renters, apartment residents, and energy-conscious families. Usage-based pricing more accurately reflects consumers' ability to manage costs and avoids placing a disproportionate burden on those with limited capacity to reduce fixed expenses.

Long-Term System Risks

There are also significant long-term risks to system sustainability. Continued increases in fixed charges may encourage households with sufficient resources to invest in solar, batteries, and backup systems to disconnect from the grid altogether. This would reduce the customer base over which shared network costs are recovered, placing upward pressure on prices for remaining customers and entrenching a two-tier electricity system. Such an outcome is inconsistent with electricity being treated as an essential service.

Public Interest Considerations

Electricity networks are natural monopolies and a critical public good. Public confidence in the sector is already under strain, and pricing reforms should prioritise transparency, fairness, and consumer trust. Reforms that are perceived to favour network cost recovery at the expense of equity and efficiency risk further eroding confidence in the regulatory framework.

Role of Distributed Energy

At a time when large-scale generation and transmission projects face delays, locally generated energy is increasingly important to system resilience and affordability. Rooftop solar is a core component of Australia's electricity supply, particularly in urban and suburban areas. Pricing arrangements should support continued participation in distributed energy, not discourage it.

Conclusion

For these reasons, I urge the AEMC to retain fair, usage-based pricing and to reject proposals that increase fixed charges. Pricing reforms should promote equity, efficiency, and long-term grid stability while maintaining strong incentives for households to reduce demand and invest in clean energy.