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AEMC Pricing Review

I am writing to express my concern at some of the proposals in the AEMC pricing review.

I support the Themes 1 & 2, “Harness competition to improve outcomes for all customer” and “Make it easier for consumers to compare offers that suit them” – these look practical and fair for all consumers, unlike the current situation. I am glad to see that those people who are unable to assess offers and respond accordingly are considered as part of these changes. Not everyone understands how the system works nor consider the disadvantages to themselves if they do nothing, so having systems in place to support them and ensure they get the best outcome is a good move.

I am very concerned about Theme 3 “Reward consumers for activities that are valuable in achieving a lowest-cost system and target a more equitable allocation of shared costs”. I want to state clearly that I support any move to ensure those who are unable to install solar/batteries are not disadvantaged in the move to renewables and that they should not be left to carry the burden of network costs. I am also very aware that there are costs associated with this move to renewables that have to be considered.

However, I am totally opposed to the move by electricity providers to develop a pricing system that ensures their profitability at the expense of the consumer. I appreciate there are network costs to providing the infrastructure we currently use and will use as we move to a renewable system, but the solution is in reforming the system that underpins our energy provision, not hit consumers with more costs.

People with solar have invested heavily in panels/batteries that ensure they require less power from the grid and they should not be hit with higher fees that undermine their investment. People without solar and batteries are paying proportionally more for electricity, creating an ongoing inequity in the market.

The basis of these proposed changes appears to be ensuring that network companies continue to make the profits they have been making, rather than supporting the move to renewables and ensuring our communities have equitable access to energy. Charging a daily fixed supply rate undermines the capital investment made by individuals who have installed solar/batteries while still impacting on those who are not able to install solar/batteries.

The system currently allows for guaranteed recovery rates for invested capital by network companies but this is untenable. In our capitalistic society companies need to adapt to changing environments and ensure their business models are flexible and able to respond to threats to their profitability. A system that allows an essential service to be delivered based on profits being prioritised over the well being of the community is a system that needs reforming. The electricity market is changing and the focus should be on adapting to that change and preparing for a renewable, sustainable economy rather than implementing changes that maximise profit regardless of the impact.

If the pricing review results in households that have installed solar being charged increased fees regardless of their energy usage, this will undermine the move to renewables in a massive way. We are currently stalled on introducing offshore wind and struggling to get new transmission lines approved but the one area we are moving forward massively in is installation of rooftop solar and

batteries. Implementing a pricing system that removes the cost saving incentive of private renewables will have a major detrimental impact on our move to renewables.

These changes need to be considered as part of the overall need to move to renewables to reduce our usage of fossil fuels and minimise the impacts of climate change. I can not finish this without commenting that this is all a product of the sell off of our electricity provision to the private sector which is now coming to 'bite us'. Energy provision to our community is a core service governments should deliver, not a profit making enterprise that has no social conscience. If this is not possible within the current legislation, then the legislation needs to be changed.

I appreciate the opportunity to make a submission about the proposed change and hope my views are considered seriously.

Thank you

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