

To: *Australian Energy Market Commission*

Subject: **Submission Opposing the Proposal to Shift Household Network Charges to Predominantly Fixed Fees**

I am writing to express my **strong opposition** to the AEMC's draft proposal to increase the share of electricity network costs recovered through **predominantly fixed daily charges** rather than through usage-based and time-of-use network tariffs.

**1. Fixed Charges Undermine Consumer Agency and Bill Control**

Electricity bills should reflect how consumers interact with the grid. Moving most network costs into fixed, unavoidable fees strips households of meaningful control over their energy bills, because savings from reducing consumption, shifting load or investing in energy efficiency no longer materially influence overall bill outcomes.

**2. Regressive Impacts on Low-Income and Low-Consumption Households**

Independent analysis shows that households with lower energy consumption — often due to constrained incomes, smaller dwellings or efficient behaviour — are disproportionately harmed by higher fixed charges. Under a fixed-charge dominant model, low-consumption and lower-income households are likely to pay more despite using less energy, **entrenching existing inequities** in the electricity system.

**3. Weakens Incentives for Efficiency and Decarbonisation**

Price signals matter. Efficient time-of-use tariffs and consumption-based charges encourage demand shifting, peak reduction, energy efficiency upgrades, and investment in rooftop solar, home batteries and other distributed energy resources. By flattening tariff signals through high fixed charges, the proposal dampens these incentives, slowing Australia's transition to a cleaner, more efficient energy system.

**4. Risks Undermining Investment in Solar and Batteries**

Raising fixed charges reduces the financial value of household investment in solar and storage. Independent modelling suggests that under the proposal, a household with solar and battery systems could **see their annual bills increase by hundreds of dollars**, and the payback period for new systems extend well beyond typical component lifetimes — fundamentally weakening the economic case for renewable investment.

**5. Lack of Evidence and Process Concerns**

This proposal was not referred to the Stakeholder Reference Group and lacks comprehensive published bill impact modelling or real-world evidence demonstrating that fixed, unavoidable charges deliver net benefits for households and consumers. Given its far-reaching impacts, such evidence and transparent modelling should precede any change of this magnitude.

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## Conclusion and Request

For the reasons above, I **urge the AEMC not to progress the proposal to introduce predominantly fixed network charges**. Electricity pricing reforms should:

- Preserve consumer choice and ability to control bills through usage decisions.
- Support fair price signals that reward energy efficiency and peak demand reduction.
- Encourage — not discourage — continued uptake of distributed renewable generation and storage.
- Be grounded in robust, transparent evidence and thorough consumer impact analysis.

Thank you for the opportunity to comment. I respectfully request that the AEMC **retain consumption-based and time-of-use network pricing structures** and abandon the shift toward fixed network charges.

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