

Thank you for the opportunity to provide feedback on EPR0097. I am writing to express strong concern about the proposal to increase the fixed price component of electricity bills. This change is a poor strategic decision and will have long lasting negative impacts on consumers, the energy market, and Australia's transition to clean energy.

My concerns are consistent with much of the public criticism already raised, and I want to highlight several key risks.

### **1. Increasing fixed charges removes the incentive to use electricity responsibly**

People respond to price signals. When a larger share of the bill becomes a fixed charge, consumers receive a clear message that their usage makes little difference to what they pay. This encourages unnecessary electricity consumption, including during peak periods, which increases system costs for everyone.

It also unfairly penalises households that have already taken steps to reduce their usage. People who have invested in efficient appliances, changed their behaviour, or installed solar and batteries will see far less benefit from those decisions. This weakens the financial case for energy efficiency and home renewable investments at exactly the time when we should be encouraging them.

The outcome is predictable: higher demand, higher costs, and slower progress toward a more efficient and sustainable energy system.

### **2. The proposal slows the transition to clean energy**

By reducing the value of solar, batteries, and energy efficient appliances, the proposal directly undermines national and state decarbonisation goals. If households see that their investments no longer meaningfully reduce their bills, many will simply stop investing. This leads to lower uptake of renewable technologies, reduced distributed generation, and higher long term system costs.

A pricing structure that discourages clean energy adoption works against the direction Australia needs to move.

### **3. Changing the pricing structure creates investment uncertainty**

Households that invest in solar or batteries may calculate payback periods of seven to ten years. A major structural change to electricity pricing halfway through that period can significantly reduce the expected return. This introduces unnecessary risk and erodes confidence in the stability of the electricity market.

Consumers will reasonably conclude that the rules can change at any time and that they cannot rely on a predictable payback period. This discourages future investment in renewable energy assets and slows the growth of the sector.

### **4. A better approach is demand based pricing, not higher fixed charges**

If the goal is to create a fairer and more efficient system, increasing fixed charges is the wrong approach. A more effective solution is to reduce or remove fixed charges and shift toward demand based or time of use pricing. Under this model, households that use more electricity, especially during peak periods, pay more.

This approach encourages energy efficiency, rewards investment in solar and batteries, reduces peak demand, and supports the clean energy transition. It also aligns with the principle that consumers should pay based on how they actually use the grid.

Yes, this means higher costs for households that use more energy or have not invested in efficiency. That is the point. Price signals should encourage the behaviours and investments that benefit the entire system.

### **Conclusion**

Increasing the fixed component of electricity bills is regressive, inefficient, and counterproductive. It undermines consumer incentives, increases demand, slows the clean energy transition, and introduces unnecessary investment risk. A modern electricity market should reward efficiency and empower consumers, not penalise them for making responsible choices.

I strongly urge the review body to reconsider this proposal and instead pursue pricing reforms that support long term sustainability, affordability, and consumer confidence