

27 May 2021

Submitted via www.aemc.gov.au

Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Dear AEMC

Access, pricing and incentive arrangements for distributed energy resources

Consumer Action Law Centre (**Consumer Action**) welcomes the opportunity to comment on the Australian Energy Market Commission's (**AEMC**) Access, pricing and incentive arrangements for distributed energy resources (**DER**) draft determination.

Consumer Action is an independent, not-for profit consumer organisation with deep expertise in consumer and consumer credit laws, policy and direct knowledge of people's experience of modern markets. We work for a just marketplace, where people have power and business plays fair. We make life easier for people experiencing vulnerability and disadvantage in Australia, through financial counselling, legal advice, legal representation, policy work and campaigns. Based in Melbourne, our direct services assist Victorians and our advocacy supports a just marketplace for all Australians.

We commend the AEMC and initiators of this rule change—SA Power Networks, St Vincent de Paul Society Victoria, the Total Environmental Centre and the Australian Council of Social Services.

As the Draft Determination notes, DER are transforming the way consumers interact with the electricity grid placing more power in the hands of customers to interact and participate in the electricity system. This has required a system built on an assumption of one-way energy flow to transform, as rooftop solar and batteries form an increasing component of the energy grid.

Without reform equity issues will arise, as households without DER pay network costs without receiving a direct benefit (such as reduced electricity bills). Furthermore, network limitations are preventing some households from investing in their own renewable technology, or they face limitations to the amount of electricity they can export, also limiting affected households' capacity to benefit. We are supportive of an electricity grid that delivers benefits for all consumers—whether they invest in DER or not—and that ensures individuals and families experiencing vulnerability or without means to invest in DER also benefit from the energy transition underway.

We echo concerns made by St Vincent de Paul Society Victoria that these equity issues are broader than the ability to purchase DER. The current arrangements of socialising the cost of extending or upgrading networks to accommodate DER—which is paid for by consumers through energy bills—are detrimental to those that cannot afford this technology or do not have access to it, such as renters.

We do not want these inequities to escalate as more DER enter the market without changes to the current regulatory framework.

This rule change has attracted significant interest and all eyes will be on the implementation of the reforms. We support measure to ensure consumers are consulted. Regulatory bodies and network providers must genuinely engage with all consumers, including vulnerable and disadvantaged consumers, so that their voices and interests are at the centre of decision-making processes.

Please contact **Patrick Sloyan** at **Consumer Action Law Centre** on 03 9670 5088 or at patrick@consumeraction.org.au if you have any questions about this submission.

Yours Sincerely,

CONSUMER ACTION LAW CENTRE



Gerard Brody | Chief Executive Officer

