

ECA's submissions to the AER's Export Tariff Guidelines Consultation



Overall views on the consultation process



Consultation process worked.

The outcome was positive for consumers.

Context for export tariffs



The industry is changing:

large scale generation and low consumer participation



small scale generation and high consumer participation

Distribution networks no longer just send energy to the consumer, but also send energy from the consumer.

Cost of living a key issue, amplified for vulnerable consumers

Why have export tariffs?



1. Equity and fairness for cost recovery.
2. Trying to lower energy bills for all consumers.
(by sending signals to change behaviour)

Why are export tariffs fair?



Export tariffs can allow for networks to recover the costs from solar access from those with solar only, as opposed to smearing these costs across all consumers.

- Those who are financially vulnerable are less likely to own solar.

Other there are other fairness considerations:

- Those without solar have benefitted from consumer solar investment and may consider it fair that they contribute to those costs.
- People have different abilities to respond to - and therefore benefit from - pricing structures.

Overall views on the guidelines



Strong guidelines are required for networks deciding to propose export tariffs.

Networks must:

- demonstrate that increasing solar access is putting costs on the network
- use other no or low-cost solutions first
- show that their consumers support these prices.

The Guidelines achieve this overall objective.

ECA's export tariff principles



Rare

Observable

Effective

Rare



Export tariffs should be **rare** because the intrinsic hosting capacity of most networks are likely able to support total solar exports in most instances.

As such, the basic export level will likely be higher than the exports of most consumers.

We advocated for increased transparency from networks as their network limits.

Observable



For export tariffs to affect behaviour change, they must be included in retail prices so they are **observable** by consumers.

We advocated that networks need to collaborate with retailers while designing the tariffs, not explaining them afterwards.

Effective



The export tariffs that are included in the retail bill must be designed to be **effective** in changing behaviour the right way.

In addition to consumer impact analysis, networks must:

- Ensure consumers know how to benefit from the tariff changes
- Calculate the benefits to a consumer from changing their behaviour

Pricing should create incentives for exports during the evening peak

Costs consumers face to respond to tariffs

Costs can be real:

- Price of a battery or smart appliance

Costs can be perceived:

- Loss of autonomy of consumption behaviour, convenience and stress

For some consumers, these perceived costs will exceed the benefits and therefore won't respond to the tariff. This is in addition to those who cannot respond for structural reasons. For that reason, only a **proportion of consumers will respond in the desired way.**

Best outcomes when approaches are consistent where possible



Where possible, there should be consistent approaches and communication across networks and jurisdictions.

When approaches are consistent, it is easier information knowledge to be shared across the family and friends

Where to read our submissions

Submission on Consultation Paper

[Submission-to-the-AER-on-Export-Tariff-Guidelines-for-Distribution-Networks-Consultation-Paper.pdf](#)
(energyconsumersaustralia.com.au)

Submission on Draft Guidelines

[Submission-to-the-AER-on-the-draft-Export-Tariff-Guidelines.pdf](#)
(energyconsumersaustralia.com.au)



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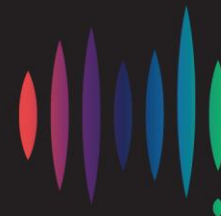
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