Proposed changes to distribution network pricing
Draft determination: submissions due 16 October 2014

Currently network prices average out the costs of supplying electricity to consumers. So people who use less at peak times are subsidising those who use more.

Network charges are around 50% of the average residential bill.

50%

The way we pay for power has to keep pace with our modern lifestyle.

If prices reflected how much it costs to use different appliances at different times, consumers would be able to make more informed decisions.

PEAK

OUR PROPOSALS

We want everyone, from heavy industry to small customers, to be able to make clearly informed decisions about how they use electricity.

Why: Because changing the way networks charge is the best way to reduce the risks involved in trying to guess the pattern of future demand. It means that the right information on costs will be available to help people choose the energy services that are right for them – no matter what the energy supply industry looks like in the future.

More consumer consultation on how network prices are structured

Network prices that reflect each consumer's usage

Clear instructions for networks on the requirements to apply when determining how to structure network prices

Earlier notification of network prices to allow retailers and consumers to better prepare for price changes

HOW CONSUMERS WILL BENEFIT

We are setting up the right rules for the future so:
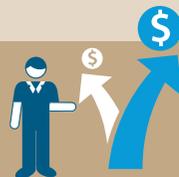
The prices we pay reflect the decisions we make

Everyone can make informed decisions on how and when they use electricity as new technologies evolve

POWER OF CHOICE

These proposals are part of the AEMC's overall Power of Choice program to give customers better information about how they use energy and how different choices might help reduce power costs. Under these draft rules people would pay according to how much electricity they use – and when – reflecting the different costs of supplying electricity at different times.

Poles and wires reform