

Independent Pricing and Regulatory Tribunal NSW
Level 16,
2-24 Rawson Place
Sydney NSW 2000

Consultation Paper – Monitoring the NSW retail energy markets 2025-26

Thank you for the opportunity to make a submission in response to the consultation paper as part of the 2025/26 monitoring report on the NSW retail electricity and gas markets.

National Seniors Australia (NSA) is the leading advocacy organisation for older Australians. Through our research and advocacy activities, National Seniors Australia works to improve the wellbeing of all older Australians.

Cost-of-living continues to be a high concern for seniors, with power prices one of the key worries. Our most recent National Seniors Social Survey found 28% of the 4,198 respondents were concerned about the affordability of power over the next twelve months, which was tied with healthcare and just behind insurance at 29%.¹

While we welcome the NSW Government's impending consumer protections, we are concerned about the impact of the ongoing rollout of smart meters; the associated increase in the number and complexity of electricity plans and the impact of this on older consumers.

With regards to Virtual Power Plants, we are concerned that electricity companies are undermining the adoption of this innovation by not fairly sharing the profits with the consumers who invest in the underlying batteries and solar panels.

These issues are discussed in further detail below.

Yours Sincerely

Dr Brendon Radford
Director Policy and Research

¹ [Affordability Infographic | NSA](#)

Impact of cost-reflective tariffs on consumers

We continue to be concerned about the impact of the ongoing smart-meter rollout and associated switch to complicated tariffs, including demand-tariffs.

The moves by the NSW government to enhance consumer protections are welcome, including the requirement to always have a flat-rate tariff available and that a customer cannot be shifted to a demand tariff without consent. Nonetheless, it is likely that commercial pressures will increasingly push retailers to bill consumers on the same basis as the network tariff to which a customer is assigned. While other networks have moved away from default demand tariff assignment to Time-of-Use (we would prefer flat tariffs), Ausgrid still has the *EA116 Residential demand* as the tariff for new residential customers with smart meters.² This is likely to impact residential customers in the Sydney, Central Coast, and Hunter Valley regions.

We are concerned that the 1 September 2026 start date for the protections may incentivise electricity retailers to move customers onto demand-tariffs ahead before the explicit consent requirements apply. This may explain the situation in the case study below. Though we also question the extent to which consumers are given the information they need to understand the impact that demand tariffs will have on their bills. Often it isn't until they get a bill that they realise the impact of demand tariffs.

We hope that IPART will rigorously monitor the customer impacts of the accelerated rollout of smart meters ahead of the consumer protections as the rollout continues.

Case study

NSA was recently contacted by a community member impacted by demand charges in the Ausgrid network. Their new bill included a demand charge. If their bill had kept the previous rates, their monthly bill would have been \$77.61, but their new bill was \$170.20 - in large part due to the \$88.24 demand charge (see Appendix 1 for deidentified bill extracts). On an annual basis, this could more than double their bill from \$914 to almost \$2,004. It is deeply troubling that consumers can be moved onto such complicated and punitive tariffs, especially without adequate explanation from their retailer. We reiterate our position that demand charges have no place in the residential electricity market.

² [Tariff Structure Statement Compliance Document 2024-29 | Ausgrid](#)

Virtual Power Plants

In our *Monitoring the retail electricity and gas market in NSW for 2024-25* submission³, we raised the issue that industry practices around Virtual Power Plants (VPPs) could undermine confidence in such innovations. We were concerned that if consumers continue to pay to buy batteries, but then the electricity retailer takes the benefit through a VPP then this will undermine support for VPP and result in a more fragmentary electricity network. Consumers must receive their fair share of the benefit. Unfortunately, this may not be the case under current contract terms.

The ACCC Inquiry into the *National Electricity Market report - June 2026* highlighted that VPP-take-up is falling behind battery installations. We suggest this is because of unequal contract terms. This is highlighted by the fact the ACCC found a 107% increase in complaints about Consumer Energy Resources (CER), such as VPP, in the preceding 12 months.

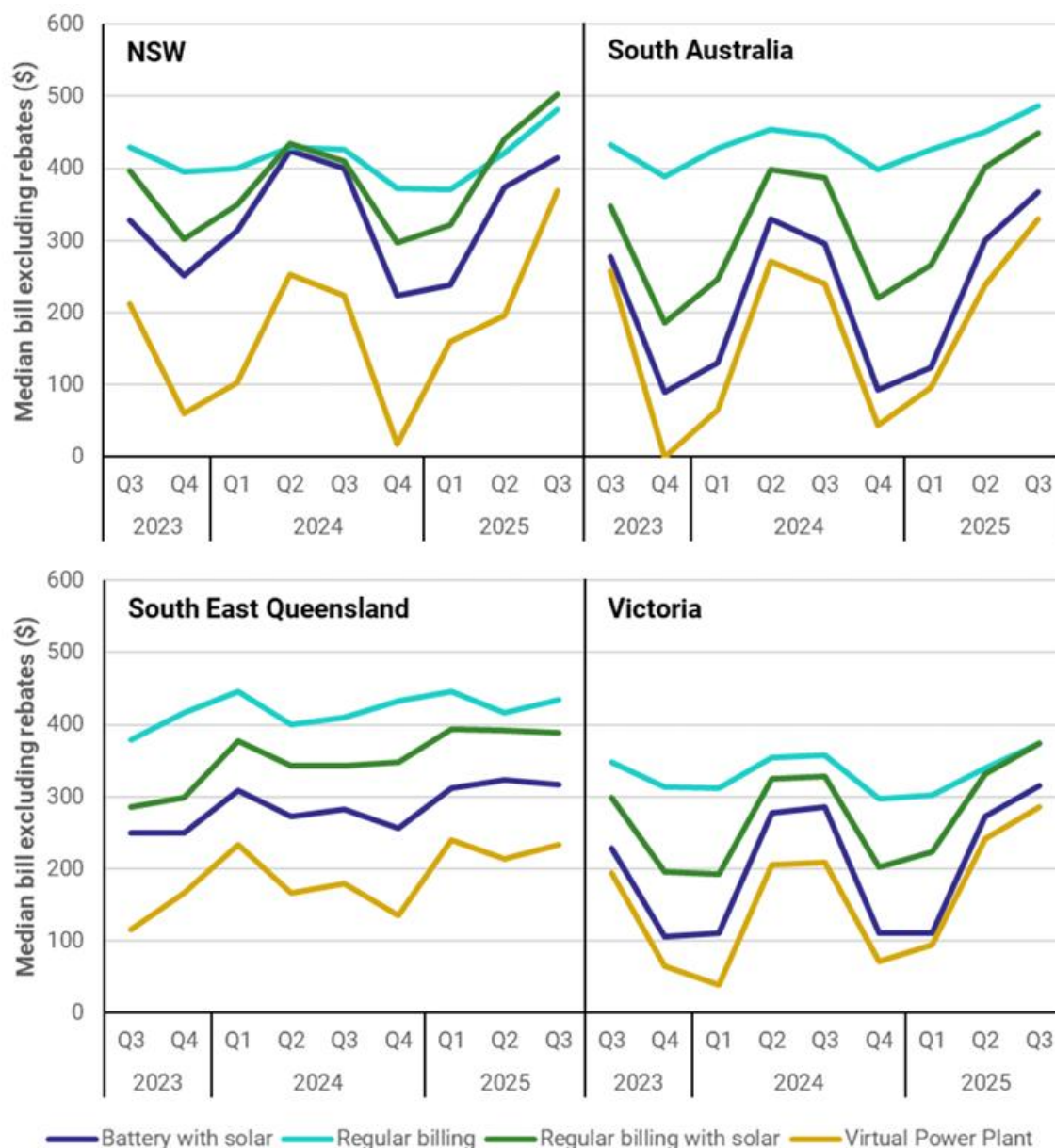
While indications are that bills with VPP can be lower than other options, the difference between a VPP and other options appears to be shrinking (see Fig 1 below). If the trend in NSW continues, it may already be the case that consumers are better-off without VPP. We also note that bills for 'regular billing' are lower than for 'regular billing with solar' in NSW.

The ACCC also found significant differences between VPP retailers, to the extent that "some customers may be better off by switching to a different virtual power plant product or not using a virtual power plant product altogether".

While short-term industry incentives may be to extract as much profit from the control of the VPP batteries, this risks higher costs in the long run from a more fragmentary electricity market if the community view becomes that VPPs are just another way to gouge customers.

As we have seen with smart meters, the general practice has been to force consumers to adopt a new technology and pay higher prices and only implement minimal consumer protections afterwards. If VPPs are to be an effective part of the electricity market, consumers shouldn't pay for the batteries, yet get little of the benefit.

³ [Consultation Paper – Monitoring the NSW retail energy markets 2024-25 | NSA](#)



Source: ACCC analysis of Australian Energy Market Operator's Distributed Energy Resource register and retailer billing data. Nominal dollars, excluding GST.

Fig 1. Household batteries and virtual power plants: median bills paid by residential virtual power plant and other customers, by region, excluding Energy Bill Relief Fund rebates, quarter 3 2023 to quarter 3 2025

Source: ACCC⁴

⁴ [Inquiry into the National Electricity Market report - June 2026 | ACCC](#)

Appendix 1: Bill extracts

Bill extract April-May 30 days, pre-demand charge

New charges and credits

Usage and supply charges	Time of use	Units	Price	Amount
Peak	2pm-8pm (Mon-Fri excl. public holidays)	48.602 kWh	\$0.2593	\$12.60
Off peak	All other times	126.693 kWh	\$0.2593	\$32.85
Shoulder	7am-2pm and 8pm-10pm (Mon-Fri) and 7am-10pm (weekends and public holidays)	145.204 kWh	\$0.2593	\$37.65
Supply charge	Daily	30 days	\$0.99	\$29.70
Total charges			+	\$112.80

Bill extract July-August 31 days, with demand charge

New charges and credits

Usage and supply charges	Time of use	Units	Price	Amount
Jul Demand (normalised for 31 days)	2pm-8pm on working weekdays (Nov-Mar) 5pm-9pm on working weekdays (Jun-Aug)	7.21 kW	\$0.3948	\$88.24
Peak	2pm-8pm (Mon-Fri excl. public holidays)	22.393 kWh	\$0.269	\$6.02
Off peak	All other times	95.999 kWh	\$0.269	\$25.82
Shoulder	7am-2pm and 8pm-10pm (Mon-Fri) and 7am-10pm (weekends and public holidays)	62.57 kWh	\$0.269	\$16.83
Supply charge	Daily	31 days	\$1.0737	\$33.28
Total charges			+	\$170.19