Monitoring the Retail Electricity and Gas Markets in NSW

NSW

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Master Electricians Australia (MEA) is a peak industry association representing electrical contractors and is recognised by industry, government and the community as a leading business partner, knowledge source and advocate. You can visit our website at www.masterelectricians.com.au

MEA welcomes the opportunity to provide feedback to IPART on emerging consumer protection issues relating to Consumer Energy Resources (CER). As advocates for CER, we are committed to ensuring consumers can fully realise the benefits of their assets, supported by robust and enduring protections embedded within the regulatory framework as the industry evolves.

MEA has addressed the issues outlined below, along with additional matters, in our recent submission to the NSW Government's review of the *NSW Electrical and Gas Safety Regulatory Framework*.

Emerging Issues to Explore

Export Tariffs

There is concern over the AEMO's decision to allow power companies to charge Australian solar consumers for exporting electricity back to the grid, something which NSW¹ has implemented.

Often referred to as sun-tax, MEA claims a two-way tariff punishes consumers for doing the right thing, strips away incentives to invest in solar, and risks giving renewable energy a bad name at a time when we must roll out more CER. Export tariffs risks disincentivising rooftop solar installations.

MEA urges the rule to be revoked to protect energy consumers, particularly those who have made significant financial sacrifices to install solar assets and maintain momentum in small energy consumers electrifying their properties. It is our position that focus should instead be on increasing battery storage in the grid.

 $^{^1}$ Nina Hendy "Homeowners rush to buy batteries to avoid 'sun tax" Australian Financial Review [03 September 2024]



Requirement for SAA Accredited Person for Giving CER Quote

We advocate for companies quoting CER to_have an electrical contractor licence and be SAA accredited, to ensure integrity of quotation and ability to take regulatory action for rogue operators. We are also advocating at the national level for an SAA accreditation to apply to individual salespeople (a new category of accreditation). At the least, MEA recommends it be a requirement of sales that consumers be informed whether a quote is a draft pending an electrician's review of the wiring and switchboard, or whether the quote is final. This would ideally be a matter for the federal accreditation process.

This would reduce the risk of incompetent or dishonest sellers misleading consumers with incomplete or inaccurate information.

Tariffs Associated with Smart Meters

The smart meter rollout highlights the need for greater consumer awareness and education. Households without CER may struggle under new tariff structures following smart meter installation, while those with electrification assets may be on Time-of-Use tariffs without understanding how to adjust their energy use to maximise savings.

Emergency Backstop Mechanisms

There have been proposed new measures to restrict solar exports during emergencies to prevent blackouts and improve grid reliability. MEA maintains that expanding energy storage is the most effective solution to the challenges that export charges and Emergency Backstop Mechanism (EBM) seek to address.

As outlined in our submission on the *NSW Solar Emergency Backstop Mechanism*, MEA supports EBM as an alternative to ongoing export charges. However, we raised several concerns:

 While the EBM does not restrict pre-stored battery energy, it may limit solar generation during activation periods. This leaves high-cost assets idle and



forces consumers to rely on grid energy, increasing their expenses.

 Over time, frequent activation of the EBM may undermine consumer confidence in CER, discouraging further investment without addressing the underlying issue; grid infrastructure capacity.

MEA recommends that during activation, NSW's EBM should curtail exports to zero rather than shutting down systems entirely. This would allow continued self-consumption of generated solar, including storage of excess generation into the battery, to ease pressure on the grid.

We have also previously urged the NSW Government to adopt a practical approach to system upgrades. For example, in Victoria, systems installed before the EBM are exempt unless a new system is added, triggering a requirement to upgrade all inverters. MEA argues this approach is impractical and costly. Only new systems should be required to meet EBM compatibility standards, without retroactive impacts on existing solar systems.

Conclusion

MEA reaffirms its commitment to supporting a consumer-centric approach to the growth of CER. Robust, consistent, and future-focused protections will be critical to ensuring consumers can confidently participate in and benefit from the transition, while safeguarding against emerging risks. We urge IPART to continue working in partnership with industry to embed these protections within the regulatory framework, ensuring that CER delivers sustainable value for consumers and the broader energy system