

22 August 2025

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

Consultation Paper – Monitoring the NSW retail energy markets 2024-25

Thank you for the opportunity to make a submission in response to the consultation paper as part of the 2024/25 monitoring report on the NSW retail electricity and gas markets.

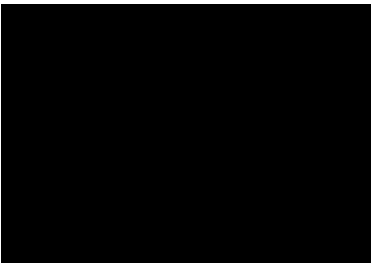
National Seniors Australia (NSA) is the leading advocacy organisation for older Australians. Through our research and advocacy activities, National Seniors Australia works to improve the wellbeing of all older Australians.

NSA continues to be concerned about consumers being pushed onto more complicated electricity tariffs, especially demand tariffs, as part of the accelerated rollout of smart meters. This is exacerbated by the rollout being allowed to proceed ahead of consumer protections. We urge the IPART to continue to monitor developments in this regard, following from our 2023/24 submission.¹

NSA is supportive of the advantages Virtual Power Plants (VPPs) could bring to the electricity system. However, if consumers are expected to bear the cost of purchasing the batteries but electricity companies capture the benefits – as reports indicate is occurring – this could undermine public confidence in the technology. The benefits of VPPs must be shared with consumers.

These issues are discussed in further detail below.

Yours Sincerely



¹ [NSA submission - IPART Monitoring the Retail Electricity and Gas Markets in NSW 2023/24 | NSA](#)

Impact of cost-reflective tariffs on consumers

We acknowledge the previous concern on the part of IPART regarding the impact on consumers of cost-reflective tariffs. We continue to maintain that demand tariffs have no place in the consumer market and that people should always have the choice of a flat tariff.

We are concerned that NSW has yet to implement the limited consumer protections proposed by the AEMC, though we believe these protections should have gone further. Thus far, it appears that only the Queensland government has put in place protections which enable customers with a smart meter to be offered a flat tariff. Our view is that all customers should be able to access a flat tariff if they wish.

We also have concerns about the adequacy of consumer protections. The *AEMC National Energy Retail Amendment (Accelerating smart meter deployment) Rule 2024 No.6* has the accelerated rollout of smart meters starting on 1 June 2025 but consumer protections applying on 1 December 2025.² This means that consumers forced to upgrade to a smart meter during this time are not subject to the protection of a retailer being required to gain explicit informed consent to tariff changes (with exceptions). It appears from the description of the consumer protections by the Australian Energy Regulator (AER) that they only apply if the *installation* occurs after the commencement of the protections.³

Allowing the accelerated rollout ahead of the consumer protections will enable retailers to put consumers on complicated cost-reflective tariffs without their informed consent. A situation that could result in bill shock for customers who do not understand these new tariffs or who cannot manage their use in peak times.

The IPART should continue to monitor this area closely as part of the Energy Market Monitoring Reports, including where consumers are pushed onto complicated tariffs which they may not understand, especially if this results in increased energy bills.

Virtual Power Plants

NSA is supportive of changes to make the electricity network more robust and responsive, but we argue that consumers must be supported during this transition. In too many cases, industry has enjoyed regulated profits while passing on costs to consumers.

² [Accelerating smart meter deployment | AEMC](#)

³ [Consumer rights and smart meters | Australian Energy Regulator \(AER\)](#)

We are concerned there will be similar experiences when it comes to Virtual Power Plants (VPPs). If industry is allowed to keep the profits from VPPs while consumers bear the cost, this could damage the reputation of VPPs and make future expansion of this technology more difficult.

As the IPART noted in the Information Paper, the NSW Peak Demand Reduction Scheme⁴ offers an incentive for consumers to connect batteries to VPPs. Under this scheme, households are offered a \$550 payment for a 10kWh battery. Prices of batteries vary, but this may only be 5% of the cost of the battery. While this incentive is welcome, it does not adequately compensate consumers for losing complete control of the battery as appears to be the case.

While some electricity companies are also offering payments to cover the cost of a battery when signing up to a VPP, \$1,000 in some cases, this hands over complete control the electricity company. The ABC reported⁵ on an allegation that a consumer had to buy electricity at peak prices when their battery was drained “down to its 5 per cent reserve level” after signing on to a VPP scheme. If VPPs are to be successful, then it will require sharing of the benefits: if consumers are paying the bulk of the cost of batteries, then they should receive commensurate level of benefit. If industry tries to game the arrangement by buying energy from the battery at cheaper times and then selling back energy at peak times when prices are high, this will be to the long-term detriment to customers involved.

VPPs would also work best for consumers where they have detailed and near-real-time data access. Unfortunately, this is not the approach the AEMC has taken, as we wrote in our submission on this evolving issue.⁶ Unclear consumer rights to their own usage data is causing issues in the rollout of VPPs.⁷ If smart meters are meant to allow people to change when they use electricity, it is not enough for people to be told how much they were using yesterday, as appears to be the option preferred by industry.

⁴ [Peak Demand Reduction Scheme | Energy NSW](#)

⁵ [Trust 'on the line' amid claims AGL drained householder's battery at peak times | ABC News](#)

⁶ [NSA submission - AEMC rule change real time data Directions Paper | NSA](#)

⁷ [As household solar and batteries grow in Australia, a new market is emerging for the data sitting behind smart meters | ABC News](#)