



**Submission to Independent Competition
and Regulatory Commission
Electricity Price Investigation Issues Paper:
Standing offer prices for the supply of electricity
to small customers from 1 July 2027**

Care Energy 01/09/2026

Current Electricity Price Concerns

Care acknowledges that electricity prices in the ACT are low in comparison to other states and that consumers can access a range of market offers. However, our recent experience through the Community Outreach Energy Hardship (COEH) program suggests that these indicators do not capture the full financial pressures experienced by many vulnerable households. For consumers with higher usage, substantial electricity bills still eventuate despite relatively low unit prices and a competitive retail market.

Since the commencement of the COEH program in December 2025:

- Seven clients have submitted electricity invoices reflecting consumption exceeding the reference price benchmark of 6,500 kWh within a single 90-day quarter or less.
- Forty-nine clients have submitted invoices showing usage of 3,250 kWh or more, representing at least 50 per cent of annual reference price consumption within a single quarter of 90 days or less.

These cases demonstrate that households often face significant affordability challenges due to underlying consumption needs (particularly related to winter heating) that cannot be reduced through market participation alone.

These challenges may also be driving a further trend of concern relating to extremely low household consumption. Since December 2025, 96 COEH clients have submitted invoices indicating average electricity usage of less than 6 kWh per day. This level of consumption has been acknowledged by City and Environment Directorate as potentially indicative of energy rationing. While some reduction in energy use may result from efficiency measures, consumption at this level is unlikely to be explained by efficiency alone. Rather, it suggests vulnerable households may be substantially restricting their usage in response to affordability pressures. In practical terms, this may involve foregoing adequate heating and cooling or tolerating indoor living conditions that would generally be considered unsuitable for household health and wellbeing, particularly for families with young children, infants, older persons, or those with health vulnerabilities.



Competitive energy markets are generally most effective when consumers are equally able to engage with market offers and respond to price signals. However, where energy consumption is driven primarily by factors such as household size, occupancy levels, health needs, disability, or housing characteristics, the benefits of competition are limited. Given the small margins available, retailers can only discount prices to a commercially sustainable level. Loss leading is not viable, at scale.

As a result, low-income households may have no realistic option but to manage their energy costs beyond reducing consumption to levels that are detrimental to their health and wellbeing. There is now data to suggest this is occurring.

Care acknowledges that cases of energy hardship associated with exceptionally high consumption fall outside the direct remit of the ICRC's price-setting functions. Nevertheless, we respectfully submit that market assessments focused principally on average reference prices and market-offer penetration rates may not fully capture the circumstances of these consumers and the very real affordability challenges they face.

In considering affordability more broadly, it is also relevant to acknowledge that more than 30 per cent of residential consumers in the ACT have rooftop solar systems, so a substantial proportion of households are partially insulated from rising electricity costs and contribute less towards socialised network and policy costs through reduced grid consumption. In addition, it is estimated that approximately 5 per cent of ACT households with rooftop solar also now have battery storage after recent subsidies encouraged uptake, which further reduces their exposure to cost-reflective tariffs and pricing fluctuations. Our service is supportive of any pricing initiative that acknowledges this dynamic and more fairly distributes collective cost.

Care recognises the efforts made by ACT retailers, who support a total of more than 4,000 customers through hardship programs. However, our experience suggests that consumers with persistently high consumption-related debt are disqualified from retailer hardship assistance and are instead directed towards external support through the ACT Civil and Administrative Tribunal.



Consequently, a significant number of consumers remain on the margins of affordability despite accessing all available supports, including the ACT Electricity, Gas and Water Rebate, life support assistance, market contracts, household energy assessments, and any available support payments.

Time-of-Use Standing Offers

Should changes be considered to standing offer pricing methodologies, retailer margin allowances, cost components, or the introduction of default Time-of-Use reference pricing, Care encourages careful consideration of the potential impacts on households already experiencing energy affordability stress.

If representative customer profiles are developed to inform a future Time-of-Use standing offer framework, Care recommends consideration of a dedicated profile for Housing ACT tenants. Under this model, shoulder and off-peak consumption periods should be priced at the absolutely lowest commercially sustainable level to ensure the greatest opportunity for affordability.

Our observations indicate that most vulnerable consumers do not substantially alter their energy use patterns in response to price signals.

In most cases, consumers are unable to shift their usage because consumption is linked to essential household activity or family needs, primarily heating and cooling. In other cases, tariff structures and peak-period risks are poorly communicated and not sufficiently understood, resulting in limited behavioural change despite potentially significant financial consequences.

There are genuine opportunities for retailers and Government to communicate more consistent information more clearly after universal smart meter deployment by 2030. We encourage any investment and innovation in this space, like Origin SpikeHour, noting that communication or engagement initiatives and online tools/apps carry a lower development and implementation cost than other components in the stack.



Care recognises that the ICRC does not determine tariff structures, peak and off-peak periods, or retailer-specific pricing arrangements. We also acknowledge that these matters are largely determined by retailers and broader market frameworks.

Nevertheless, Time-of-Use tariffs may present heightened financial risks for households with limited ability or resources to change consumption patterns. We therefore encourage all market participants to prioritise tariff designs that actively minimise these risks. One potential approach would be to ensure that off-peak and shoulder period charges closely reflect the lowest actual cost of supply during those periods, thereby providing tangible opportunities for consumers to offset higher peak-period costs.

Additional government assistance may also assist in mitigating these risks. Care acknowledges and appreciates previous ACT Government initiatives, including Utility Hardship Fund payments of up to \$300 and the current Energy Support Payment arrangements.

These programs provide valuable relief and often serve as an important pathway to broader support services. However, consumers frequently report that available payments remain modest when compared with the scale of accumulated energy debt and ongoing billing pressure.

Care also supports a review of the ACT Electricity, Gas and Water Rebate, to better distribute support where it is needed, within existing Government funding envelopes. This would be an effective way to best protect consumers impacted by the above.

Energy Efficiency Improvement Scheme (EEIS)

Care agrees that the current methodology used to estimate EEIS costs reflects the costs incurred by retailers in complying with the scheme.



However, we suggest that further consideration be given to the administrative, governance, audit and compliance requirements associated with the program.

A review of these requirements may identify opportunities to streamline program delivery while maintaining integrity.

To the extent that administrative costs can be reduced without compromising program outcomes, corresponding savings may ultimately contribute to lower costs for consumers.

Care remains supportive of the objectives of the EEIS and recognises its important role in improving household energy efficiency and reducing long-term energy costs.

Our recommendation is therefore directed not at the scheme's purpose, but at ensuring that implementation arrangements achieve the greatest possible value for consumers while minimising avoidable cost impacts.

It plays a critical role in the ACT's electrification pathway, and a recognition of a continually shifting landscape is beneficial to all participants.

