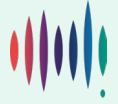


ECA submission on the Midday Power Saver

Submission to the Department of Energy,
Environment and Climate Action (DEECA)

DATE: 10/06/2026



Energy Consumers Australia is the national voice for household and small business energy consumers. We advocate for a fair, affordable, and reliable energy system that meets everyone’s needs and leaves no one behind on the journey to net zero.

1 Feedback on the Midday Power Saver

Energy Consumers Australia (ECA) welcomes the opportunity to comment on the Victorian Government’s proposed Midday Power Saver (MPS).

ECA supports the broad aims and policy intent of the MPS to benefit households who can shift their electricity use to the middle of the day. Like the Solar Sharer Offer (SSO), if it is well-designed and implemented, the MPS has potential to deliver bill savings for these households, as well as broader system benefits by better utilising excess daytime capacity to shift consumption away from peak periods.

The opportunity is particularly great in Victoria due to Victoria’s high smart meter penetration. The number of households with smart meters in Victoria alone is similar to the total number of households with smart meters across all regions eligible for the SSO.¹

However, it is important that the design and implementation of the MPS, including the associated consumer protections and communications about the MPS from retailers and government, appropriately takes into account the barriers many consumers may face to shifting consumption to the free period and the risk that some consumers could be worse off on the MPS if they are not able to shift their energy use.

To this end we recommend that:

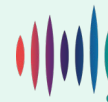
- the Order in Council clearly outlines the objectives of the MPS
- the Victorian Government and retailers clearly identify the types of consumers who are likely to benefit from the MPS (and those who are not) and ensure communications are targeted accordingly
- the SEC one-stop-shop (Easy Electric SEC) and Victorian Energy Compare are used to provide consumers tailored advice about the suitability of the MPS for their circumstances
- the MPS is supported by strong consumer protections, in particular effective implementation of the clear advice entitlement under the Energy Retail Code of Practice.

We also refer DEECA to our submission to the Department of Climate Change, Energy, Environment and Water (DCCEEW) on the SSO, which covers similar matters to this submission.²

Thank you for considering this submission. If you would like to discuss further please contact Adam Collins at adam.collins@energyconsumersaustralia.com.au.

¹ Australian Energy Market Commission, [AEMC finalises landmark reform to accelerate smart meter rollout | AEMC](#), Table – remotely-read meter counts (2024).

² ECA, [Submission to the Department of Climate Change, Energy, the Environment and Water \(DCCEEW\) on the Solar Sharer Offer Consultation Paper 2025-26 | Energy Consumers Australia \(2025\)](#).



The MPS should focus on delivering benefits to consumers who can shift their energy use

We support the MPS being implemented through a separate Order in Council than the Victorian Default Offer (VDO).³ This appropriately reflects that the MPS has fundamentally different objectives from the VDO and serves a different purpose. In particular, the MPS requires a level of ‘engagement’ from consumers to fully benefit, i.e. by shifting consumption to the free period.

We recommend the Order in Council for the MPS include a clear statement as to its objective that the Essential Services Commission (ESC) is to give effect to in determining the MPS. The objective should, as the ESC has identified, reflect that the MPS aims to ‘provide an offer suitable for engaged customers who are able to shift their energy use into the middle of the day [the free power period]’.⁴

We recommend that the objective of the MPS clearly focus on the intended benefits to individual consumers who sign up to the MPS (while ensuring the design does not create unfair cross-subsidies). While we recognise that the MPS has a broader system-wide objective to ‘shift consumption away from higher-priced peak periods to times of strong renewable generation in the middle of the day, supporting more efficient network use’, this broader objective can only be achieved if the MPS is a suitable offer that consumers choose to take up in the first place. Focusing on ensuring the MPS is a genuinely attractive offer (not merely one that consumers are encouraged to take up because of government exhortation) will support achieving the broader objectives. Furthermore, those consumers who would not be better off by participating in the offer – but do benefit from their neighbours participating – need know nothing about the offer to receive the downward pressure on power prices a well-designed and well-marketed MPS promises.

The MPS needs to be clearly targeted towards consumers who are most likely to benefit

To maximise benefits for those who would genuinely be better off on the MPS (and to minimise risks to consumers who the offer is not suitable for) more targeted communication is needed about who the MPS is best suited for.

Communication about the MPS appears to be broadly aimed at ‘households who can shift their electricity use to the middle of the day’.⁵ Unlike the SSO, communication about the benefits of the MPS has not focused as specifically on those who are excluded from the benefits of rooftop solar and battery storage, such as renters, apartment dwellers and low-income households.⁶ However, to some degree the MPS has been framed as focused on those who are able to work from home.⁷

We recommend the Victorian Government:

- more clearly identify and publicly communicate the types of consumer profiles the MPS is best suited for
- consider publicly communicating consumer profiles for whom the MPS is *not* suitable, to dissuade them from taking up the offer

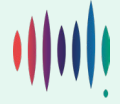
³ Essential Services Commission, [Victorian Midday Power Saver: Technical Paper](#), 4 (2026).

⁴ ESC, [Technical Paper](#), 4 (2026).

⁵ E.g. Victorian Government, [Three Hours Of Free Power Every Day | Premier](#) (2026).

⁶ DCCEEW, [Solar Sharer Offer Consultation Paper](#), 18 (2025).

⁷ Victorian Government, [Three Hours Of Free Power Every Day | Premier](#) (2026); DEECA, [Victorian Midday Power Saver](#) (2026).



- consider using Easy Electric SEC, the ‘one-stop-shop’ recently established by the State Electricity Commission, as a suitable source of information and tailored advice for consumers on the suitability of the MPS for their circumstances.

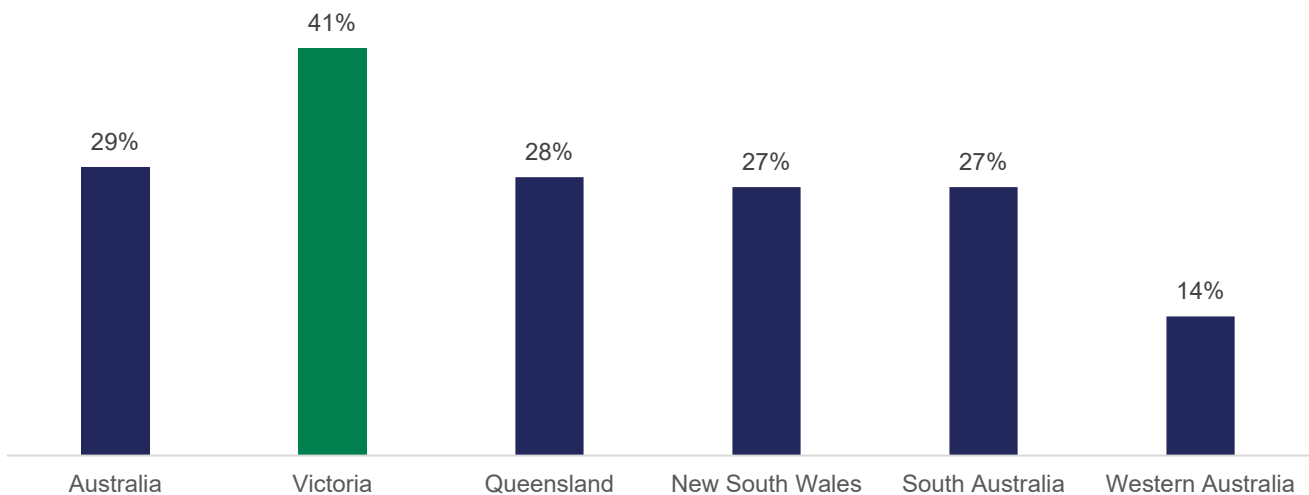
We note this is consistent with the Victorian Government’s intention for the SEC to provide, ‘free, trusted and simple advice to families on how to save money on their bills’.⁸

Alternatively (or additionally), this information should be available through Victorian Energy Compare. To the extent practicable, we recommend consumers be directed to a single source of information for their energy needs (whether this is about electrification or suitable energy offers) rather than multiple sources.

Awareness of free power period plans is relatively high in Victoria

ECA’s survey data suggests Victorians have the highest awareness of the SSO in the country (Figure 1), even though the SSO is not available in Victoria. The survey did not ask specifically about the MPS; if the MPS were included the level of awareness may be higher still. Our surveys also shows that around half (48%) of consumers say they would be likely to opt-in to a free power period offer.⁹

Figure 1 – Awareness of Solar Sharer offer by location



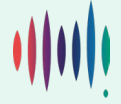
Source: SEC Newgate on behalf of Energy Consumers Australia, May 2026.

Question: Earlier this year, the Federal Government announced a new initiative called the Solar Sharer Offer (SSO). Under the SSO, energy retailers will offer households with smart meters 3 hours of free electricity. It will be scheduled for the middle of the day when solar generation is at its peak. Before today, were you aware or not aware of the Solar Sharer Offer (SSO)? (n=1,210).

This (combined with near-universal eligibility for the MPS in Victoria due to high smart meter penetration) suggests there is potential for relatively high take-up of the MPS in Victoria. However, this heightens the need for communications to be well-targeted, as well as to ensure strong consumer protections and mitigate barriers to being able to benefit, as discussed below.

⁸ Victorian Government, SEC One-Stop-Shop Will Help You Slash Energy Bills | Premier (2026).

⁹ Bradshaw, A, The Energy, The Solar Sharer Offer will be available soon – but how many consumers will sign up? And should they? | The Energy (2026).



It is also important that communications about the potential savings from the MPS are realistic for most households. For example, the \$149 to \$332 savings cited in the ESC's advice are based on comparison to the flat rate VDO. For consumers on market offers that are more attractive than the VDO, the savings are likely to be less, even if they can shift the assumed amount of their energy use.

Any statements that a consumer can save a certain amount if they can shift a certain amount of their consumption to the free period also need to be based on reasonable assumptions about the timing of a consumer's energy use and their capacity to shift load.

Many consumers face barriers to being able to benefit from the MPS and require other supports

The design and implementation of the MPS needs to be informed by awareness of the barriers many consumers will face to being able to fully benefit from it. ECA's research on consumer knowledge of electricity pricing and responsiveness to price signals may assist in appropriately targeting the MPS, as well as identifying consumer cohorts that will need other supports to be able to benefit.¹⁰

In general, we expect that the consumers who can most easily benefit from the MPS are likely to be those with an EV, those with a battery or those who are at home during the day. While not as explicitly stated, we assume an objective of the MPS, like the SSO, is to share the benefits of abundant solar generation with consumers who are less able to benefit directly from rooftop solar and batteries. ECA's research has found around half of Australians face barriers to solar and battery adoption.¹¹

Note that although communications on the MPS have highlighted higher savings for those with solar and batteries,¹² these households should not be the focus of the MPS as they already directly benefit from solar. Battery owners should be encouraged to fully utilise the flexibility of their installed batteries rather than being directed towards an offer that notionally is intended to share the benefits to households who face barriers to CER adoption.

There are a range of practical constraints that many consumers face to being able to shift energy consumption towards free periods. Many of these are discussed in our report on consumer knowledge of electricity pricing and responsiveness to price signals. These include:¹³

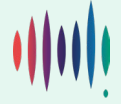
- renters are less likely to have a home automation system that allows remote control of appliances
- renters are less likely to be home during the day on weekdays compared to those who own their home outright
- low-income households are less likely to own EVs.
- households tend to vary energy use on less energy-intensive appliances, making only modest financial benefits from changing behaviour. Appliances consumers say they are most likely to shift (washing machines and dishwashers) account for a low proportion of home energy use.
- rental properties tend to have poor insulation and energy efficiency. For example, while around 80% of owner-occupied homes report having at least one form of insulation, only 37% of rental properties do.

¹⁰ ECA, [Consumer Energy Report Card: Consumer knowledge of electricity pricing and responsiveness to price signals | Energy Consumers Australia](#) (2025).

¹¹ ECA, [Half of Australians facing barriers to solar and battery revolution, new report finds | Energy Consumers Australia](#) (2026).

¹² E.g. [Three Hours Of Free Power Every Day | Premier](#) (2026).

¹³ ECA, [Submission to the Department of Climate Change, Energy, the Environment and Water \(DCCEEW\) on the Solar Sharer Offer Consultation Paper 2025-26 | Energy Consumers Australia](#), 7-9 (2025).



Indeed, the ESC says in relation to its savings estimates that, 'The ability for most customers to shift this amount of electricity consumption by changing their use of typical household appliances may be challenging.'¹⁴

Given these barriers, other supports, such as appliance upgrades that promote flexibility, are needed to ensure more consumers can benefit from the MPS. Coordinating these supports and advice through a one-stop-shop such as the SEC could help to minimise friction for consumers.

Strong consumer protections are needed to support the MPS

Standard consumer protections are necessary, but not sufficient, to support consumers considering the MPS. While standard contract terms and explicit informed consent requirements are important, these protections apply to any offer. As an offer with a degree of government backing, and for which the Victorian Government has made specific savings claims, a higher standard of consumer protection should apply to the MPS to mitigate the risk of consumers being worse off under the offer and undermining confidence in the MPS.

A key opportunity to provide stronger consumer protections is through the clear advice entitlement. As discussed below, clear regulatory guidance is needed to ensure retailers provide clear advice that is appropriate for the MPS. Because of the unique circumstances in which this offer is being rolled out we would expect more fulsome advice to be provided in relation to the suitability of the MPS than for other offers in the market.

DEECA could also consider a limited price guarantee, like we suggested for the SSO.¹⁵ Under this proposal retailers would be obliged to calculate both the consumer's bill under the MPS and their bill under a VDO tariff and bill the consumer for the lower amount only (perhaps for an initial period while the MPS is being rolled out). This would support consumers to understand and adjust to the MPS without the immediate risk of bill shock if they are not able to easily shift their consumption and would help build consumer confidence in the MPS.

Consumers need clear advice to make informed decisions

We welcome that the clear advice entitlement under the Energy Retail Code of Practice will apply to the MPS and welcome the ESC's plan to publish industry guidance setting out compliance expectations with clear advice obligations under the MPS.

As the ESC notes, the clear advice requirements are more extensive than the information requirements under the Electricity Retail Code.¹⁶ This presents an opportunity to ensure that information and advice provided by retailers genuinely supports consumer decision-making. The entitlement for clear advice means consumers should be given information they can understand to support informed decision-making, not merely general statements that the MPS may not be suitable in all circumstances.

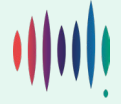
For example, this may include advice about:

- how the consumer's actions (e.g. shifting energy use) may impact the amount they pay under the offer (cl 38(1)(a))

¹⁴ ESC, letter to the Minister for Energy and Resources, the Hon. Lily D'Ambrosio MP, 22 May 2025.

¹⁵ ECA, [Submission to the Department of Climate Change, Energy, the Environment and Water \(DCCEEW\) on the Solar Sharer Offer Consultation Paper 2025-26 | Energy Consumers Australia](#), 10 (2025).

¹⁶ESC, letter to the Minister for Energy and Resources, the Hon. Lily D'Ambrosio MP, 22 May 2025, 5.



- other plans that may be more suitable for the customer, having regard to their energy use patterns (cl 38(1)(d))
- the cost impact of the MPS tariff structure (cl 38(1)(e)).

Any communications regarding potential savings under the MPS need to be based on realistic assumptions about the timing of a consumer's energy use and their capacity to shift load. Importantly, this should include appropriate advice if the MPS is not a suitable offer for the consumer's circumstances. It is also important that communication and advice are ongoing. If, for example, a consumer opts in to the MPS but cannot shift their consumption sufficiently to benefit, retailers should be proactively engaging with the consumer on how they can manage their energy use to benefit from the MPS or move to a more suitable offer.

2 Responses to consultation questions

Methodology

1. What other factors should be considered in developing the methodology to determine future tariffs outside the free period to balance cost recovery, equity, and incentives to shift usage, while minimising cross-subsidies?

As outlined previously, the objective of the MPS should be clearly specified, and the ESC should be directed to give effect to the objective in determining the MPS tariffs. We recommend the objective should reflect that the MPS should be an offer suitable for engaged customers who are able to shift their energy use into the free power period.

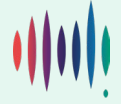
We note outcomes for consumers are likely to be significantly different depending on whether they can shift *peak* consumption to the middle of the day, or only off-peak consumption (or a combination of peak and off-peak consumption). In some cases the proposed peak tariffs are more than double the off-peak tariffs.¹⁷ Consideration should be given to how this might be reflected in the Order in Council (e.g. whether the objective is specifically to encourage consumers to shift peak consumption).

It is important that the MPS tariffs outside the free period only seek to recover excess costs that retailers can be expected to actually incur during the free period. Given the costs associated with the free period are notionally recovered through higher costs outside the free period, for future MPS determinations more attention may need to be given (compared to the VDO) to the actual costs incurred by retailers at different times of the day, particularly the free period. DEECA should consider what supporting reforms (such as network tariff alignment) are needed to move the free period closer to being actually 'free' rather than costs associated with this period being shifted to other parts of the bill.

We recommend the MPS is designed in a way that seeks to minimise undesirable cross-subsidies. In particular the design of the MPS should seek to ensure that MPS consumers are not subsidised by non-MPS consumers (which might include consumers who face barriers to being able to shift energy use), as this would be an unfair consumer outcome.

We otherwise broadly support the proposed approach to use the same or similar approach to the VDO to determine efficient tariffs, then adjusting these tariffs to arrive at the MPS tariffs. This appears the simplest approach given the MPS and VDO tariffs will (in future) presumably be determined at the same

¹⁷ E.g. for the Ausnet distribution zone: ESC, Schedule 1: Victorian Midday Power Saver 1 October 2026 to 30 June 2027, Table 1 (2026).



time. We support refining the method over time as understanding of the MPS, consumer responses and market factors develop.

2. What other factors should inform the timing of the free usage window in future determinations?

We support ongoing consideration of the factors identified in the consultation paper (local network conditions, including renewable energy penetration and periods of comparatively low wholesale and network costs).

Consumer behaviour, including observed behaviour following commencement of the MPS (and SSO), should also be considered in determining the free usage window. We caution against making unrealistic assumptions about consumers' ability to shift load or their responsiveness to price signals. This includes observing the extent to which MPS customers actually shift consumption to the free period, and the extent to which updated consumption patterns align with the free window.

As well as the timing of the window, the ESC should also have discretion to consider the duration of the window in future determinations. We understand the choice of a three-hour window aligns with the SSO. However, there may be a case to consider a longer window in future determinations given: the solar soak period has a longer duration, demand and spot prices are still low throughout this period, and a longer free period may be easier for consumers to respond to by adjusting energy consumption patterns compared to a shorter window.

3. What other factors should inform future changes to the fair use cap for the free usage period?

We support the proposed approach that the solar soak tariff applies to excess energy consumed above the fair use cap. As the ESC notes this reflects the marginal cost to retailers during the time of day when the MPS occurs.¹⁸

Any excess usage charge (if one is considered necessary) should only seek to enable cost recovery, not to actively disincentivise use during the free period by being set above efficient costs. It would be a confusing signal for a consumer to be encouraged to consume energy during the free period but disincentivised from using energy past a certain point.

We recommend the Order in Council include principles or directions to the ESC in setting the excess usage charge to ensure that the fair use cap continues to reflect an approach that minimises costs to consumers.

We support the ESC having discretion to revise the fair use cap in future, particularly if household electricity consumption rises as households electrify their gas appliances in line with Victoria's Gas Substitution Roadmap.

4. How can future tariffs above the free usage cap be designed to effectively limit excessive consumption during the free power period?

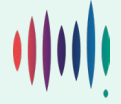
It is not clear that the free usage cap should aim to limit 'excessive' consumption when the purpose of the MPS is to shift consumption to the free period. As the ESC notes, 'load shifting into the middle of the day is the intent of this policy'.¹⁹

We understand there are concerns that excessive consumption during the free use period may have implications for equitable cost recovery.²⁰ This is adequately addressed by an excess usage charge designed to reflect the marginal costs faced by retailers. To the extent that any localised network impacts

¹⁸ ESC, Technical Paper, 13.

¹⁹ ESC, Technical Paper, 8.

²⁰ See e.g. DCCEE, [SSO Outcomes paper](#) (2025), 20.



may arise we support the ESC's recommendation that government monitor any voltage issues faced by distributors.²¹

5. What implementation issues or retailer system changes should be considered in the final design of the Midday Power Saver to support a smooth rollout from 1 October 2026?

We recommend key details of the MPS are finalised as soon as practicable to support consumer and retailer readiness for the MPS on 1 October 2026.

6. What communication approaches will be most effective to ensure customers understand the tariff, changes that are required to maximise savings and minimising the risk of bill shock?

As outlined previously, we recommend that:

- the Victorian Government use the SEC one-stop-shop as a suitable source of information and tailored advice for consumers on the suitability of the MPS for their circumstances
- communication by retailers is informed by regulatory guidance to ensure the effective implementation of the clear advice entitlement.

It is important that information and advice provided to consumers is tailored and specific. Reliance only on general statements that the MPS may not be suitable in all circumstances is not sufficient.

Any communications regarding potential savings under the MPS need to be based on realistic assumptions about the timing of a consumer's energy use and their capacity to shift load, noting the barriers many consumers face to being able to change energy use patterns. Consumers should also have access to advice as to how they can manage their energy use to benefit from the MPS.

7. How should government monitor and measure the effectiveness of the Midday Power Saver in terms of consumer benefits, behaviour and experience, as well as impacts to the electricity system and markets?

We recommend that consumer outcomes are monitored following implementation of the MPS, both for MPS consumers as well as target cohorts who might face barriers being able to fully benefit from the MPS, to inform other targeted supports for these consumers. It is important to recognise that there will continue to be a range of other potentially more impactful initiatives that can achieve or supplement some of the outcomes intended by the MPS – for example, addressing peak demand reduction through energy efficient appliances and other household energy upgrades.

We also recommend that the ESC monitor the effectiveness of retailer communications and advice in relation to the MPS. While we see a role for government in clearly communicating the MPS, advice from retailers is likely to be the primary source of information for many consumers considering the MPS.

Government should also monitor the impacts of the MPS on demand patterns, as well as the development and take-up of market free power period offers (noting there are already several available in Victoria). Government should also monitor the impact on overall system costs and savings associated with the MPS, in particular to ensure that the program does not create unfair cross-subsidies (i.e. non-MPS consumers subsidising MPS consumers).

²¹ ESC, Technical Paper, 8.

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