

Minimum feed-in tariff 2024-25

Submission received through Engage Victoria

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From November 2023, we began accepting submissions on our Minimum feed-in tariff review 2024-25 via Engage Victoria (www.engage.vic.gov.au). On this website, people were given the opportunity to send us a response to a set of questions we provided.

What parts of our proposed methodology for setting the flat and time-varying minimum feed-in tariffs do you support?

None. Time and time again you folks have predicted that energy prices are going to fall and used that as an excuse to lower the FiT. And time and time again your prediction has turned out to be incorrect. Instead of learning from your mistakes, you continue to shamelessly prattle the same reasoning every year to lower the FiT. All you are doing is ensuring that retailers get the electricity that solar consumers generate for dirt cheap which they can turn around and sell at a premium price to all consumers (be they solar or non-solar). You are therefore acting in the best interests of the retailers ensuring that their profits are protected and not in the best interests of the Victorian consumers.

A kilowatt is a kilowatt and solar consumers deserve to get a fair price for the electricity they generate.

What parts of our proposed methodology should we change?

Everything. Throw this methodology in the bin and start over. Look at other countries and states where the FiT is same as the retail price. If they can do it, you can too. Stop protecting the retailers and come up with a methodology where the electricity generated by solar consumers goes towards lowering prices for all consumers instead of going towards retailer profits.

As per your current model, a retailer will be able to buy electricity generated by a solar customer dirt cheap at 3.3 cents/kwh and sell it to a neighboring non-solar customer for almost 28 cents/kwh making a tidy profit, thanks to your protectionism. It is amazing that you see nothing wrong with this methodology.

Your draft decision mentions this statement casually as if it were an agreed fact: "Minimum feed-in tariffs above the value of solar exports would result in non-solar customers subsidising solar customers through higher electricity rates."

This is False. Higher FiTs would result in lower profits for retailers, that is all. If retailers try to pass on the costs to non-solar customers then it is your job as the regulator to ensure that does not happen.

For our overall methodology, or parts of it, what alternative methodologies should we consider?

Implement a new methodology with the guiding principle that the FiT should be same as the retail rate or as close to it as possible. Ensure that this extra cost is not passed on by retailers to non-solar customers and instead comes out of their profits.