

Minimum feed-in tariff review 2022-23

Submission received through Engage Victoria

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From 2 December 2021, we began accepting submissions on our Minimum feed-in tariff review 2022-23 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.

Distribution and transmission losses

(This same comment section will in capture topics that would fit under other fees and charges).

When you make your review and take considerations in the retail/wholesale market to come up with your costs, I believe you fall short of the principle most consumers take solar power for.

The install cost for a decent solar system is still significant for many house holds which I am one and the concept of recovering that cost via FIT, is the only main reason to fork out such and outlay with the expectation it will pay itself off in several years.

With the significant reduction in FIT value, it begins to make people consider the value adding they are doing vs the value saving. Home owners would require to remain in their homes for almost a decade to see the value of the solar system installation and costs recovered for completing the project. This will continue to expand as the FIT continues to drop or become non existent.

In considering the price for each KW in the market, I base it on 3 sections.

A - the cost to make the power.

B - the infrastructure to deliver the power and maintain the grid

C - the retail market that is used to sell the power.

When considering the comparison between the retail price the FIT, all home owners should be considered equal in combining A&C. They act as a power producer and also as the retail market, meaning I personally spend a lot of time working out the best power deal then approach the retailer. The retailer isn't chasing me down to offer the best rate they have for my benefit.

So when working out the FIT price vs retail per KW price. The FIT should be reflective of A&C thus providing better value for home owners who outlaid the high price for solar and to recoup the ongoing prices that would reflect the above comments.

Keep in mind, I did a review last time you dropped the price to find out the best retailer to go through and identified they frequently would only offer the lowest of FIT prices. It isn't in their best interest to show a fair and reasonable price, they want only to make money. Regardless of the 'options' you provide the retail market, they'll only offer the best 'option' to the market based on their margins and interest.

IE - if you drop the price to 5.2 cents per KW with options to offer more. They'll only go with the 5.2, even though they'll charge higher rates for the same 'equivalent' power (referring to my A, B, C table).

As a power generator and FIT receiver. We should make the same price per KW the would equal to the retailer margin and power generating margin, less the infrastructure costs.

Other fees and charges

A/A

Are there any other matters relevant to the review we should consider?

Don't punish those who are trying to go green and consider environmental options by removing the value incentive, forcing it on the pathway of pure out of pocket expenses.