

# Minimum feed-in tariff 2023-24

## Submission received through Engage Victoria

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Submission written by: Ronald Pose

From December 2022, we began accepting submissions on our Minimum feed-in tariff review 2023-24 via Engage Victoria ([www.engage.vic.gov.au](http://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 minimum single and time-varying feed-in tariff rates do you consider are appropriate?**

The methodology considers the cost of using the wired distribution infrastructure for exporting the rooftop solar power, but this is irrelevant since the consumers pay separately for this fixed cost. The rest of the methodology is reasonable. Except that there is no way for someone like me to shop around for any feed-in rate. I have been giving away my solar power. It registers on my meter but never appears on my electricity bill because the Tariff I am on doesn't pay for exported electricity. The tariffs that do pay for exported electricity charge more for electricity provided to me so that I would end up paying more overall. This methodology only makes sense if one can shop around separately for a retailer for exporting solar power. There seems to be no method of having 2 retailers, one for import and one for export. There is no technological problem with this given there is already a separation of distribution from electricity retailers, but by packaging everything in a combined tariff contract one has the retailers clawing back the feed-in component by charging more for service charges and what they charge for electricity.

### **What parts of our proposed methodology should we change?**

The methodology is meaningless when end users cannot separate the feed-in from the rest of the contract. It is ludicrous that I have been subsidising the retailer by providing my small amount of solar electricity free of charge because I cannot find a retailer with a tariff that overall gives me any positive return on my small solar system. In fact given I am a rather small consumer and producer of electricity the optimal approach is to go off-grid using a battery and a bigger solar system. Of course if too many people did this the network costs would be increased on average.

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

The privatisation and separation of electricity generation, distribution, and retail supply has led to dramatically increased costs on consumers because there is no way to sensibly optimise the overall system. Given it will take some time to deal with the inevitable switch to renewables and generation largely at the point of consumption. The feed-in tariff should be decoupled from the electricity supply tariff. The tariff charged by retailers for provision of electricity should not depend on any feed-in tariff. likewise the supply charge for use of the power line distribution infrastructure needs to be independent of the tariff for electricity import or export. It goes to the powerlines distribution company for which end users have no choice, unlike retailers.

If one must have electricity wholesalers (generators), electricity retailers, electricity distribution companies, then let the rooftop solar electricity producer be treated like the other electricity generators and be able to supply the retailer (or wholesaler) who is willing to pay the most, certainly at least the published minimum feed-in tariff.