

Solar value remains despite falling feed-in tariff

Victoria's energy regulator says while falling wholesale electricity prices are pushing down the minimum feed-in tariff, the real value to solar customers is not having to pay retail for the electricity they use.

The Essential Services Commission has released its [draft decision](#) on the minimum feed-in tariff that energy companies will pay from 1 July 2022 with the trend of falling tariffs likely set to continue.

The proposed minimum single rate feed-in tariff for 2022–23 is 5.2 cents per kilowatt hour, down from 6.7 cents while minimum time-varying feed-in tariffs will also fall.

The commission's pricing director Marcus Crudden says there are two main benefits of solar panels – producing clean power and reducing retail electricity charges.

“The real and enduring value of renewable generation and storage is in not having to pay retail electricity charges for the electricity you use.

“The [latest data](#) shows participants in Victoria's home solar program are saving [an average of \\$1,073 on their annual power bills](#) while making a major contribution to reducing emissions, he said.

Mr Crudden says households can maximise their savings by choosing to run power-hungry appliances during the middle of the day and not at night.

“Matching your usage where possible by putting on appliances or using timers to when solar power is available rather than using mains power and paying retail rates is the best way to maximise savings,” he said.

The proposed drop in the minimum tariff continues the trend of the last two years with falling wholesale electricity prices which make up almost two-thirds of the feed-in tariff driving the price down.

Mr Crudden says while the commission sets the minimum rate, retailers can and some do pay more.

“We encourage customers to shop around when deciding on a retailer offering feed-in tariff rates and to consider their energy consumption and generation,” he said.

The draft proposal is open for consultation on [Engage Victoria](#) until 10 January 2022.

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Proposed minimum feed-in tariff rates from 1 July 2022

Rate	Time applicable	Proposed / kWh
Single	All times	5.2 cents
Day	Weekdays: 7am-3pm, 9pm-10pm Weekends: 7am-10pm	5.0
Early evening	Weekdays: 3pm-9am Weekends: n/a	6.9 cents
Overnight	10pm – 7am all days	7.1 cents