



4 July 2014

Brett Harrison  
Project Officer, Energy  
Feed-in Tariff Review 2015  
Essential Services Commission  
Level 37, 2 Lonsdale Street  
Melbourne VIC 3000

Submitted electronically to [fitreview@esc.vic.gov.au](mailto:fitreview@esc.vic.gov.au)

Dear Mr Harrison

**Re: Minimum Electricity Feed-in Tariff to Apply from 1 January 2015**

Lumo Energy welcomes the opportunity to make a submission to the Essential Services Commission (Commission) in relation to the Draft Decision Minimum Electricity Feed-in Tariffs (FiT) to apply from 1 January 2015 (the Draft Decision).

Lumo Energy is one of the largest second tier energy retailers in the National Electricity Market. As such, it has a keen interest in the outcomes of the decision made by the Commission and the extent it provides for a fair and reasonable rate for consumers that generate electricity.

Lumo Energy is a member of the Energy Retailers Association of Australia, and is supportive of the comments made in their submission.

The Commission's Draft Decision estimates the value of embedded generation at 7.4c/kWh, assuming carbon is not repealed and 6.2c/kWh assuming the carbon price is repealed by 1 January 2015. Lumo Energy queries whether the data proposed in the Draft Decision is accurate.

**Future FiT Arrangements**

The Commission notes in the Draft Decision that the question of whether there should be a regulator-determined minimum FiT is not addressed in this Draft Decision. Lumo Energy strongly supports a market-determined price of FiT, as it allows the market to determine the value of embedded generation and provides scope for retailer product innovation for solar customers.

Given the Standard and Transitional FiTs lapse on 31 December 2016,<sup>1</sup> and the recommendations of the Victorian Competition and Efficiency Commission that

---

<sup>1</sup> As described by the Department of State Development, Business and Innovation on: <http://www.energyandresources.vic.gov.au/energy/environment-and-community/victorian->



“Victoria’s FiTs should be market-based as soon as practical so they are sustainable, predictable and free from cross subsidies”,<sup>2</sup> Lumo Energy strongly believes that deregulation in relation to FiTs is in the best interests for all customers in Victoria. A regulated FiT will limit innovation over time. Lumo Energy advocates that the Commission should discuss the future FiT arrangements with policy decision makers.

Should you wish to discuss this submission further, please do not hesitate to contact Stefanie Macri, Regulatory Manager on 03 9976 5604.

Yours sincerely

A handwritten signature in black ink, appearing to be "Aneta", followed by a long horizontal line extending to the right.

**Aneta Graham**  
General Manager Regulatory Affairs & Corporate Relations  
**Lumo Energy Australia Pty Ltd**

---

[feed-in-tariff-schemes/closed-schemes/standard-feed-in-tariff](http://www.energyandresources.vic.gov.au/energy/environment-and-community/Victorian-feed-in-tariff-schemes/closed-schemes/standard-feed-in-tariff) and  
<http://www.energyandresources.vic.gov.au/energy/environment-and-community/Victorian-feed-in-tariff-schemes/closed-schemes/transitional-feed-in-tariff>

<sup>2</sup> Victorian Competition and Efficiency Commission, *Power from the People: Inquiry into Distributed Generation, Final Report*, July 2012, page xxi, accessed:  
<http://www.vcec.vic.gov.au/files/cbddd4f4-91e7-4466-a060-a35a00f0d432/Power-from-the-People-Final-Report.pdf>

Lumo Energy Australia Pty Ltd. PO Box 632, Collins St West VIC 8007  
P 1300 11 58 66 [www.lumoenergy.com.au](http://www.lumoenergy.com.au)