Friday, 6th December 2024.

To Whom It May Concern,

Subject: Comments on Electricity Pricing and Solar Feed-In Tariffs in Victoria

I am writing to express my concerns and recommendations regarding electricity pricing and solar feed-in tariffs in Victoria. The current policies and pricing structures appear to create significant challenges for households, particularly for those who have invested in solar energy solutions. I urge the government to address these issues to promote fairness, sustainability, and affordability for all Victorians.

1. **Rising Electricity Prices** Electricity prices do not seem to decrease and instead rise year after year. This trend is placing additional financial stress on households already grappling with the rising cost of living.

2. **Inadequate Feed-in Tariffs** The reduction of the feed-in tariff from 60 cents to just 3.3 cents per kilowatt hour is highly inequitable. If the decrease is due to the expectation that wholesale electricity prices will be lower during the day. This is very hopeful indeed. Electricity providers ensure that consumers are paying peak prices during the highest usage times of the day i.e. 3pm to 9pm in my case. Therefore, I do not believe that prices will ever be lower. This is especially concerning when compared to the average peak consumption rate charged by major energy providers, which ranges from 38 to 45 cents per kilowatt hour. This disparity disproportionately impacts households, including state pensioners, who rely on the savings generated by their solar investments to manage their energy costs. Such policies discourage further adoption of solar technology and undermine its financial benefits for existing users.

3. **Lack of Battery Storage Among Solar Users** Most solar users do not have battery storage, which means much of their generated energy flows back into the grid at the exceptionally low rate of 3.3 cents per kilowatt hour. This is especially disadvantageous for those who work during the day and cannot utilise their solar energy in real-time. Electricity companies benefit tremendously from this arrangement, while customers face continued annual increases in electricity prices.

4. **Recommendation for a Fair Feed-In Tariff** I believe a fair feed-in tariff should be around 40 cents per kilowatt hour. This would provide a more equitable return for households contributing renewable energy to the grid, increase the uptake of solar and help alleviate the financial burden on consumers.

5. **Reduction in Solar Incentives** The government has reduced the solar adoption incentive from over $2,000 to just $1,400. This reduction has likely deterred some households from investing in solar systems. Restoring or increasing these incentives would encourage more families to make the transition to renewable energy.

6. **High Cost of Solar Battery Installation** While the cost of solar battery systems has decreased since 2010, it remains prohibitively expensive for many households, with current costs exceeding $12,000. Making solar batteries more affordable through subsidies or financing options would enable more families to store and use renewable energy effectively.

7. **Impact on Vulnerable Households** Vulnerable groups, such as pensioners, are particularly affected by the current feed-in tariff structure and rising electricity prices. Many of these households made investments in solar technology based on previous incentives and tariffs, which have since been dramatically reduced. Restoring a fairer feed-in tariff rate would provide much-needed relief to these groups.

8. **Benefits of Solar Panels** Solar panels provide numerous advantages, including reducing carbon footprints, lowering energy costs, and increasing home resale value. It is essential

for the government to recognise these benefits and further incentivise their adoption to achieve long-term sustainability goals.

9. **Solar Adoption Statistics in Victoria** According to the Clean Energy Regulator, over 691,354 small-scale solar systems (<100kW) had been installed in Victoria as of July 2023. With a population of approximately 6.8 million, there remains significant potential for greater solar adoption. Increased incentives and outreach programs could help drive further uptake, aligning with both environmental and energy affordability objectives.

10. **Environmental and Economic Benefits** Expanding solar adoption not only reduces greenhouse gas emissions but also creates job opportunities in the renewable energy sector. By fostering growth in this sector, Victoria can achieve dual benefits: progress towards its climate goals and stimulation of the local economy. Aligning incentives with the state's Renewable Energy Action Plan could amplify these advantages.

11. **Grid Stability and Modernisation** Increasing renewable energy usage, coupled with investments in distributed battery storage and microgrid technology, would enhance grid stability. Such advancements can reduce peak demand pressures, minimise blackouts, and empower local communities with energy independence.

12. **Successful Models in Other States** Victoria can look to other Australian states for inspiration. For instance, South Australia's Home Battery Scheme provides direct subsidies for battery installations, making this technology more accessible. Implementing similar programs could position Victoria as a leader in renewable energy while delivering tangible benefits to its residents.

13. **Long-Term Vision for Energy Independence** By incentivising renewable energy adoption and supporting battery storage initiatives, Victoria can reduce its reliance on fossil fuels and imported energy. This transition will not only benefit the environment but also provide long-term cost stability and energy security for all Victorians.

In conclusion, I urge the Victorian Government to:

- Review and lower electricity prices to alleviate financial stress on households.
- Increase incentives for solar panel adoption to encourage greater uptake.
- Provide subsidies or financing options to make solar batteries more affordable.
- Restore a fair and equitable feed-in tariff rate to reflect the true value of renewable energy contributions.
- Invest in grid modernisation and renewable energy infrastructure to secure a sustainable energy future.

These measures would promote sustainability, fairness, and affordability for all Victorians, while aligning with the state's renewable energy and carbon reduction targets. I hope the government will consider these suggestions seriously and take proactive steps to address these pressing concerns.

Thank you for your attention to this matter.

Sincerely,