

Minimum Feed-in Tariff Review 2025-26

Submission received on our draft decision paper on minimum feed-in tariff review 2025-26

Submission prepared by:

Anonymous 7 (please do not publish my name)

Organisation:

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I have read and agree to the above submissions and privacy collection statement.

Yes

Please confirm which one of the following applies to your submission:

I agree to my submission (other than the information I have identified as confidential or commercially sensitive (if relevant)) being published, but please do not publish my name.

Date submitted:

20 January 2025

Submission to pricing team inbox:

I write in response to the draft decision to reduce the minimum feed-in tariff for solar exports to as low as 0.04 cents per kilowatt-hour by the 2025–26 financial year. I wish to express my strong concerns regarding the fairness and broader implications of this decision.

Households with rooftop solar systems should be regarded as micro-generators and compensated fairly for the energy they supply to the grid. The proposed reduction significantly undervalues the contributions of these households to Victoria's energy system. It not only fails to reflect the true market value of clean energy but also discourages further investment in renewable energy infrastructure by individuals.

Key Points of Concern:

1. Market Value of Renewable Energy

Solar households export clean, renewable energy to the grid, often during periods of high demand. Large-scale generators of renewable energy are compensated at market rates, and it is only fair that domestic solar generators receive equitable treatment for their contributions.

2. Policy Inconsistency and Investment Discouragement

Reducing the feed-in tariff to a token value contradicts government commitments to supporting renewable energy and combating climate change. Many households invested in solar systems based on earlier assurances of fair compensation, and this decision undermines confidence in the stability of government policy.

3. Grid Benefits and Peak-Time Supply

Rooftop solar reduces the strain on the grid and lowers the need for costly upgrades to transmission infrastructure. It also mitigates peak-time electricity demand, which otherwise incurs significant costs for energy providers. These benefits must be reflected in fairer tariff structures.

4. Impact on Energy Equity

A dramatic reduction in the feed-in tariff risks penalizing those who have already taken proactive steps to support renewable energy. The devaluation of exported solar energy may disproportionately impact lower-income households who invested in solar as a long-term cost-saving measure.

Recommendations:

- Fair Market Rate Compensation:** Feed-in tariffs should reflect the wholesale market value of electricity, as well as the additional environmental and grid benefits of rooftop solar.
- Time-Varying Tariffs:** To encourage alignment with grid needs, time-varying feed-in tariffs could be introduced, offering higher rates during peak demand periods when solar exports are most valuable.
- Support for Self-Consumption Strategies:** If feed-in tariffs are to be reduced, additional support should be provided to households to invest in battery storage, smart home technologies, and energy efficiency measures to maximize self-consumption.

This draft decision risks stalling the momentum of the renewable energy transition and unfairly penalizes those contributing to a cleaner energy future. I urge the Commission to reconsider this decision and adopt a more balanced approach that ensures fairness for all energy producers, large and small.

Yours sincerely,