

Friday, 31st January 2025

To Whom It May Concern,

Subject: Minimum feed-in tariff review 2025–26 Draft document

I am writing to urgently raise concerns and dissatisfaction at the outcome of the solar electricity feed-in tariffs review and the pricing that was set.

This pricing and outcome are unfair to all Victorian residents that have, upon Government encouragement, installed solar panels to help the environment as we move towards renewable energy, alleviate stress on the electricity grid and provide more electricity to the grid by feeding in the excess.

The current policies heavily disadvantage households—especially those who have invested in solar energy—while energy retailers' profit at their expense. These pricing structures discourage renewable investment, undermine sustainability efforts, and place an unfair financial burden on everyday Victorians.

The Essential Services Commission must amend the feed-in pricing to reflect a fairer system for Victorian who have expended great expense to install and run solar panels. This makes a mockery of engaging Victorian to help the environment by generating their own and the Grids electricity with a renewable energy source. Now there is very little or no incentive for anyone to install solar. I feel that the Commission has made it incredibly easy for retailers to manipulate the market at the expense of the consumer.

We need the Commission to implement fairer policies that prioritise the consumer and not just corporate profits. It is inevitable that the tariff will stay the same as retailers continue to increase their prices. Is that fair?

The unfairness to customers can be summarised as follows:

1. Extremely Low Compensation

- The flat feed-in tariff of **0.04 cents per kWh** is almost nothing. Considering customers are charged **30-45+ cents per kWh** when they buy electricity, this is a massive price gap.
- Even under time-varying rates, substantial portions of the day (like midday) receive **zero cents**, despite solar users actively contributing clean energy to the grid.

2. Energy Retailers Benefit More than Consumers

- Energy companies buy our solar power at exceptionally low rates but sell it to other customers at much higher prices, maximising their profits at our expense.
- Customers with solar panels are helping to power the grid, yet they are paid far less than what retailers charge for that same electricity.

3. No Reward for Reducing Grid Demand

- Solar energy fed into the grid reduces strain on infrastructure, potentially lowering maintenance and upgrade costs. But instead of being rewarded, solar customers are underpaid.
- A fairer system would reflect the real value of solar energy in reducing peak demand and reliance on fossil fuels.

4. Discourages Renewable Energy Investment

- Many people install solar panels to save on energy costs and help the environment. If feed-in tariffs remain so low, it takes longer to recover the cost of installation.

- This could discourage future investment in solar energy, which contradicts government renewable energy targets.

5. Unequal Power Dynamics

- Consumers have little bargaining power since feed-in tariffs are set by the Commission and offered by energy retailers who control pricing.
- Unlike households, large energy companies can negotiate better rates for the electricity they generate, further tipping the scales in their favour.

6. The Electricity Retailers Win

This system is designed to benefit energy retailers far more than the customers generating clean energy. While some peak-time rates are slightly higher, the fact that many hours of the day pay nothing at all is unfair. A more reasonable approach would be increasing minimum tariffs and ensuring customers are fairly compensated for contributing to the grid.

I urge the Commission to re-evaluate the pricing and significantly increase the feed-in tariff.

Yours sincerely,
Compton Harry

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