

# Increased solar uptake lowers minimum tariff

**25 February 2020**

## *Electricity and gas*

Falling market expectations of future energy prices based on an uptake of solar power has resulted in a lower minimum solar feed-in tariff for the next financial year.

In [its final decision published today](#), the Essential Services Commission has set a new single rate minimum feed-in tariff from 1 July 2020 of 10.2 cents per kilowatt hour, slightly lower than the current 12 cents.

Pricing director Marcus Crudden says more solar power in the Victorian market means an expected fall in wholesale prices.

“More solar in the energy market means lower tariffs, however we only set the minimum rate, retailers are able to offer above this.

“We encourage solar users to shop around to get the best deal,” he said.

The commission has also kept time-varying tariffs optional after [new research](#) showed that making them mandatory at this time would have limited benefits.

“Frontier Economics analysed solar customer’s consumption and generation data and found that very few customers would be better off with a time-varying tariff.

“Low uptake could not justify the cost incurred for implementation which would likely be passed on to all consumers, mandatory time-varying tariffs is something that could be considered in future years,” he said.

The new minimum feed-in tariffs would take effect 1 July 2020.

Minimum rates to apply (c/Kwh) from 1 July 2020				
Tariffs	Single	Off-peak	Shoulder	Peak
Final decision	10.2	9.1	9.8	12.5

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