

# Proposed minimum feed-in tariffs for 2017-18

**19 December 2017**

## *Electricity and gas*

From July next year, energy companies may pay solar households and small businesses different rates depending on which time of day they put energy back into the grid.

Under new rates being considered by the state's energy regulator, retailers will be able pay solar system owners either a single-rate tariff or time-varying tariff. The new rates form part of the regulator's plan to transition to time-varying feed in tariffs in Victoria.

The Essential Services Commission is looking for feedback on proposed minimum feed-in tariff rates that will apply in Victoria from 1 July 2018.

These feed-in tariffs are the proposed minimum rates that electricity retailers must pay for power that households and small businesses feed into the grid from their solar panels and other small scale renewable power generation.

It follows legislative amendments prompted by a major inquiry into distributed generation (solar and other forms of small scale energy generation).

Proposed rates for the time-varying tariff are between 7.2 cents and 29 cents per kilowatt hour, depending on the time of day power is exported. The proposed minimum price under the single-rate tariff is 9.9 cents per kilowatt hour.

The proposed rates are calculated using methodology which considers:

- forecast wholesale electricity market prices
- distribution and transmission losses avoided by the supply of small renewable energy generation
- avoided social costs of carbon and avoided human health costs attributable to a reduction in air pollution.

The commission's feed-in tariff draft decision is now available. Submissions on the proposal close on 29 January 2018 and should be sent to [fitreview@esc.vic.gov.au](mailto:fitreview@esc.vic.gov.au).

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