

24 January 2023

Essential Services Commission
Level 8, 570 Bourke St
Melbourne VIC 3000

Via EngageVictoria

Dear Commissioners,

Re: Minimum electricity feed-in tariff to apply from 1 July 2023 – draft decision

Simply Energy welcomes the opportunity to provide feedback on the draft decision for the minimum electricity feed-in tariff (FiT) to apply from 1 July 2023.

Simply Energy is a leading energy retailer with approximately 700,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia. Simply Energy is owned by the ENGIE Group, one of the largest independent power producers in the world and a global leader in the transition to a zero-carbon economy. As a leading retailer focused on continual growth and development, Simply Energy supports the development of effective regulation to facilitate competition and positive consumer outcomes in the market.

Minimum feed-in tariff from 1 July 2023

Simply Energy agrees with the Essential Services Commission's (Commission) approach to determining the minimum FiT.

We are pleased to learn that the Department of Energy, Environment and Climate Action are reviewing the 2017 methodology for the avoided social cost of carbon. As we have commented during previous minimum FiT reviews, this methodology is outdated and is becoming a more significant proportion of the cost stack each year. In 2023-24, the avoided social cost of carbon comprises more than half of the value of the proposed minimum FiT, which will continue to contribute to non-solar customers subsidising solar customers through higher electricity prices.

Optional time-varying feed-in tariff

Simply Energy supports the time-varying FiT remaining as an optional tariff structure rather than as a mandated requirement.

We reiterate our feedback from the 2022-23 review, that aligning the time-bands of the time-varying FiT with the time-bands of the residential two-part time-of-use (ToU) network tariffs may aid customer understanding of time-varying tariffs. While these time-bands do not match-up neatly with the peak and off-peak times for solar generation, we consider it would be easier to explain time-varying tariffs to consumers if the tariffs related to their consumption and export varied in consistent time-bands.

Concluding remarks

In closing, Simply Energy supports the Commission's approach to determining the minimum FIT to apply from 1 July 2023.

Simply Energy welcomes further discussion in relation to this submission. To arrange a discussion or if you have any questions please contact Matthew Giampiccolo, Senior Regulatory Adviser, at

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Yours sincerely

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James Barton
General Manager, Regulation
Simply Energy