

Minimum feed-in tariff 2023-24

Submission received through Engage Victoria

Date submitted: 2/1/2023

Submission written by: Anonymous 14

From December 2022, we began accepting submissions on our Minimum feed-in tariff review 2023-24 via Engage Victoria (www.engage.vic.gov.au). On this website, people were given the opportunity to send us a response to a set of questions we provided.

What parts of our proposed methodology for setting the minimum single and time-varying feed-in tariff rates do you consider are appropriate?

In theory the methodology of setting the minimum feed-in-tariffs as stated on page 16 is good, but it is all based on forecast figures and not current market figures. If the Commission is proposing 7.69% decrease in the feed-in-tariff, does it mean there will be a decrease of 7.69% in the electricity retail price?

What parts of our proposed methodology should we change?

stop calculating the feed-in-tariffs on forecast prices. Back in June/July 2022 I submitted an inquiry re electricity fees increasing to 27.26c/KWH while the feed-in-tariff decreasing to 5.2c/KWH. The Commission's response was that the feed-in-tariff was decreased based on forecast decreases in wholesale energy prices, and adjustments were not possible until the following review in February 2023. The Commission should include adjustments to reflect the percentage drop or increase of the electricity wholesale price.

For our overall methodology, or parts of it, what alternative methodologies should we consider?

Start calculating on previous 6-month pricing instead of a forecast. As stated on the Victorian Energy Market Report 2021-22, the, daily weighted average prices increased from \$60/MWh for the first three months of 2022 to \$240/MWh between April and August 2022 (page 19 of the report). The feed-in-tariff calculation for 2022 lowered the price down to 5.2c/KWH due to price fall expectation which never happened. The retailers are benefiting from huge savings by buying electricity from the solar feed-in-tariff of 5.2c/KWH against the 24c/KWH from the National Electricity Market.

