

Minimum feed-in tariff 2023-24

Submission received through Engage Victoria

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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?

As the greatest assistance by Household PV is the Avoided cost of meeting peak demand, the solar feed in price should reflect this. As the Base power load easily meets the overnight usage of electricity, payment of the PV feed in tariff should not be measured on cost of night time non-generation. In my case, the ownership of a 6.6kw PV system with a 10kW battery means minimal draw on the system 24hrs per day, yet I am still liable for the so called daily supply cost, currently \$0.96 per day, which at 4.8 cents/kW will require 20+ kW of feed-in to negate. This is outrageous, inequitable AND a disincentive, as I could use the \$350 per year to pay for an additional almost 1kW of additional battery storage each year and go "off-grid" forever.

What parts of our proposed methodology should we change?

You are using the cost of price gouging international gas prices used by standby gas generators (less than 5% of actual supply) as the proxy for demand, instead of the base cost plus a fraction of the gas generation. This is vastly overstating the supply cost and well and truly over-inflating the cost of supply to justify increased charges, which are a poor lever to reduce demand.

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

1. Base the real price of 100% of supply, NOT the highest spot prices of supply that actually cause an inflationary effect on the economy.
2. Make the retailers/wholesalers prove that the daily supply cost has been used in the installation, upgrade and maintenance of the infrastructure and not just an easy place to add to their bottom line. It should be a standard cost across all retailers, because profit should be an insignificant amount because profit should be made made in the electricity consumption charge only.

3. As use of feed-in is most often able to be reused within the local vicinity, the standing cost of maintaining lines and poles and a discount to the feed-in tariff, should in fact be used as an addition to the feed-in tariff as it reduces the load on local infrastructure. Wholesalers and retailers have been using this excuse for too long; fix it.