

Victorian Default Offer 2026–27

Submission received via Engage Victoria on our Request for Comment Paper on the 2026–27 Victorian Default Offer

Submission prepared by:



Organisation:

N/A

I have read and agree to the above submissions and privacy collection statement.

Yes

Please confirm the option which applies to your submission:

I agree to my submission (other than the information I have identified as confidential or commercially sensitive (if relevant)) being published, but please do not publish my name.

Date submitted:

11/12/2025

General Matters

Are there matters that you would like to raise, including methodological approaches to other cost components not mentioned in this paper?

As previously there is no evidence that estimates used in the assumptions are in fact verified against the actual figures for the past period and thus using estimates does not actually give confidence to any data so used! In industry, whilst there are methods to use both types of data and analysis the usual process is to review previous periods etc and then estimate on a forward basis. We do not see this here!

Wholesale electricity costs

We propose to continue the approach adopted in our final 2025–26 Victorian Default Offer decision to account for the wholesale cost of exports within the Victorian Default Offer. This includes a forecast export volume weighted wholesale price, multiplied by small customer export volumes, and divided by total forecast consumption. Do you

agree with this approach? If not, why, and what alternative approach should we consider?

It appears that you are always on the estimation of "Small customer exports" when in fact there is no evidence to support this theory. Our own experience is as a retired couple with 5Kwh of solar, is that generally on the basis of a year around 70 to 75 % of solar generated goes to the grid. Now there is nowhere that such work can be undertaken by the regulator to substantiate that assumption. we collect daily data to compare generation vs export! If this is the general case then it would appear that the assumption within the paper is false!

We propose to continue to use data sourced from the Australian Energy Market Operator and the Australian Energy Regulator to inform our estimate of the wholesale cost of exports. Do you agree with these data sources? If not, why and what alternative data sources should we consider?

Is there any other way that this data can be sourced...I doubt it!

Network costs

Given the objective of the Victorian Default Offer is to provide a simple, trusted and reasonably priced electricity option that safeguards consumers unable or unwilling to engage in the electricity retail market, do you foresee any difficulties in transitioning from a two-period to three-period time of use (ToU) tariff? And if not, is continuing our pass-through appropriate or are there other approaches we should consider?

There is absolutely no reason to modify the current method and there does not appear a valid reason for this unless this has been proposed by retailers for the purpose of changing processes or changing attitudes in the market to influence users!

Are there any other matters proposed by distribution network service providers, or the Australian Energy Regulator that you think we should consider in setting the Victorian Default Offer?

Network charges are changing significantly, and this upward trend will continue in the current forecast and is unlikely to flatten due to the processes that are employed within the network operation. This includes capital costs and particularly manpower costs which probably make up a significant proportion of costs. If technology was improved and made to influence costs then a change may be seen earlier than later but currently this will not change!

Free power period tariff

What are your views on the suitability of a regulated residential tariff with a free power period in Victoria?

Tasmania has a free nominated period of use in their tariffs and it is widely used. But this means more work by the wholesaler and retailer to manage and it is most likely that cost would over run any gain. Best talk to those in Tassie!

Are there additional safeguards - such as eligibility requirements - that should be implemented before a customer could opt-in to such a product?

As above...learn from those with experience and I would think that Tasmanian organisations will fill that gap pretty easily!

Other costs

Do you support our proposed approach to pass through the Australian Energy Market Operator's recently introduced 'Cyber Security & Resilience' fee and if implemented, the updated National Electricity Market Participant fee structure? If not, why, and what alternative approach should we consider?

This sort of "pass thru" is not something that should be included in costing when it can be hidden anyway amongst other costs such as IT etc and really is the responsibility of network operators as a marginal cost!

Do you have any feedback on our proposed use of the Australian Energy Market Operator's updated data to inform our ancillary service fee estimate?

No comment