

## 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:**

Aziz Haque

#### **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)), and my name being published.

#### **Date submitted:**

10 December 2025

#### *General Matters*

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

The wholesale trading needs to be monitored. Low cost generators should not put more than \$300 MW bids.

#### *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?**

Yes

**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?**

AEMO data should be used

#### *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?**

Three-period time of use (ToU) tariff should have a upper limit so retailers cannot overcharge

**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?**

Proactive end-of-life AMI meter replacement is preferable

#### *Free power period tariff*

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

Not all resi loads can be shifted during day but industries can curtail their evening peak demand

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

Pension card holders should be safeguarded against higher evening tariffs

#### *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?**

Cyber Security & Resilience fee is already included in DSP proposals

**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