

## Submission on the Victorian Default Offer – Solar Sharer Tariff Proposal

### Introduction and Context

Electrify Boroondara (EB) is a community-led organisation supporting households across the City of Boroondara to electrify their homes, improve energy efficiency, reduce costs, and contribute to local emissions reduction. With over 100 volunteers and a rapidly growing network of over 3000 engaged residents, EB conducts energy assessments, hosts educational events, and works closely with local stakeholders to demystify household electrification. This submission draws on our direct experience helping residents navigate tariffs, shift demand, integrate solar, and adopt batteries.

### Solar Sharer Tariff – Overall Position

We support the intent of the solar sharer proposal to reward daytime consumption and reduce pressure on peak periods. However, the implementation must protect vulnerable consumers, reflect both NEM-level and DNSP-level constraints, and ensure the Victorian Default Offer (VDO) remains a safe, fair, and genuinely default option.

Solar sharer should not become the sole VDO tariff. By definition, VDO users are often disengaged, time-poor, or uncertainty-averse. A tariff with 0 c/kWh daytime prices coupled with materially higher peak rates is inappropriate as the only default option.

If nothing else, the proposal of Solar Sharer has raised media and public awareness of the concept and its introduction will encourage more widespread availability of similar related tariff plans (over and above existing offers such as OVO and Globird). Adoption of these types of plans complements the Cheaper Home Batteries Program.

### DNSP Considerations and Grid Impact

Current DNSP solar soaker tariffs under trial (e.g., AusNet) demonstrate that tariffs can:

- Encourage daytime usage and beneficial peak-time exports.
- Discourage excessive daytime exports and discretionary evening demand.
- Support the business case for household batteries.

However, the grid problem is not limited to an 11–2 “solar duck curve belly” window. Spring and summer regularly experience over-voltage issues and reverse flow constraints spanning roughly 9–5.

If solar sharer pricing fixes only one part of the curve (e.g., zero pricing 11–2), the grid challenge is simply pushed to the shoulders (e.g., 2–4), not resolved. A tariff that flattens demand across the entire 9–5 period is needed to meaningfully address DNSP issues.

Tariffs must reflect DNSP-level constraints, not just wholesale market conditions. Consumers who reduce DNSP strain provide local network value, and this should be compensated. Retailers (and consumers) should also be rewarded for helping avoid or defer local network investment.

## A Better Solar Sharer Price Structure

There is a material risk that a 0 c/kWh daytime tariff combined with significantly higher peak rates will create unintended inequities. A more moderate structure could deliver most of the system benefits while reducing risk for households unable to shift usage.

A possible alternative:

- Solar sharer (daytime) rate: non-zero, e.g., 5 c/kWh (including network tariffs).
- Shoulder period: minimal uplift.
- Peak period: no uplift at all.

This reduces bill shock risk, preserves behavioural signals, and may reduce the political difficulty of shifting away from the “zero cost” framing.

## Consumer Protections

Solar sharer may be attractive for battery owners and flexible households but risky for others.

Protections must include:

- A “no-worse-off” safeguard so customers who unintentionally pay more due to higher peak tariffs receive automatic compensation.
- Mandatory bill comparison showing what the household would have paid on:
  - flat tariff,
  - standard ToU tariff,
  - solar sharer tariff.
- Easy opt-out processes and cooling-off periods for tariff changes.
- Clear disclosure of risk factors (e.g., daytime vs peak usage ratio).

## Retailer Behaviour and Transparency

For the solar sharer to succeed, retailers must be required to:

- Offer multiple tariff types (flat, ToU, solar sharer), not just one.
- Provide transparent, simple explanations of tariff suitability.
- Offer bill comparison tools and mandatory annual reassessments.
- Report how customers are distributed across tariff types to prevent “default herding” into riskier offers.

The Victorian Energy Compare site must also be updated to display flat vs ToU vs solar sharer prominently rather than hiding them behind advanced filters.

## Encouraging Electrification and Batteries

The tariff should support electrification, not discourage it. This includes:

- Ensuring that people adopting heat pumps or EV charging are not penalised.
- Ensuring battery behaviour is rewarded when it reduces DNSP and peak NEM strain.
- Providing clear guidance to help households understand demand-shifting opportunities.



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### Conclusion

Solar sharer has strong potential but must be implemented carefully. It needs to offer genuine grid and consumer benefits not just political posturing. A more moderate solar sharer rate, strong consumer protections, DNSP-reflective pricing, and strict transparency requirements on retailers will ensure that this tariff genuinely works for all Victorians—especially the many residents who rely on the VDO for protection.

Electrify Boroondara welcomes further engagement with the ESC on supporting communities to transition efficiently, equitably, and affordably.