

TELEPHONE : [REDACTED]

[REDACTED],
Melbourne, [REDACTED].
24/12/2022.

ATT : Manager,
: Essential Services Commission, Vic.

SUBJECT : Submission – 2023/4 Feed In Tariff Proposal.

Hello - these comments represent my Feedback on the Electricity Services Commission (ESC) latest Proposal for the 23/24 FY Feed In Tariff (FIT) of a mere 4.8 Cents per KWH.

This Proposal by the ESC to mandate an already minimalist FIT will further disadvantage Electricity Consumers who have chosen to fund their own Roof Top Solar PV installations.

I believe your current Proposal is totally unacceptable ! Below are my arguments...

ISSUE 1.

Regardless the source of energy be it Coal, Gas, Wind, Solar and Battery origins - the price charged by all of these Electricity "Generators" for their Electricity has continually increased every year with significantly more painful price hikes expected in 2023.

There is however one EXCEPTION !!!!

The Owners of Rooftop Solar Photovoltaic systems are Electricity Generators too but the ESC repeatedly penalises these Generators with annual price REDUCTIONS for their Electricity through the ever decreasing Feed In Tariff's !!!

In an environment of massively increasing Electricity prices for the Consumer and ever higher profits by the Retailers... it is truly hard to fathom how the ESC defined 22/23 FIT of 5.7 Cents per KWH can be further reduced to a proposed new low of just 4.8 Cents per KWH for the 23/24 FY.

The prime justification from the Electricity Retailers for these ever reducing FIT's is that the Retailers claim that they have make up for the "LOSSES" they incur paying 5-10c per kWh over the spot Market rate.

This is a Claim that cannot be justified because the ESC mandated FIT is already well BELOW the spot Market Rate and to add further insult - the Electricity Retailers repeatedly pass onto Consumers increasingly higher Usage and Supply charges.

Again I state this Proposal is totally unacceptable !!!

ISSUE 2.

I note from the ESC's own Website the following Mission Statement...

QUOTE.

We are an independent regulator that promotes the long-term interests of Victorian consumers with respect to the price, quality and reliability of essential services.

UNQUOTE

As a Victorian Consumer - this leads me to ask... were any Consumer Advocates involved in this latest decision by the ESC ?

Apparently not... because this latest ESC proposal to further reduce the FIT supports an argument that the ESC is being "unduly influenced" by the combined market force of the Electricity Retailers !

Where is the ESC "support" for Consumers in this Proposal ?

It is clear to me as a Consumer... that this latest reduction in the FIT is a blatant example of ESC policy (Bias ?) which has repeatedly favored the Electricity Retailers and NEVER the Consumer.

To emphasise my point - the ESC is NOT and has NOT ever delivered any Support ("Market fairness") to Victorian Electricity Consumers who have chosen to "fund" (albeit with Rebates) the Installation of a Roof Top Solar PV array.

This latest ESC Proposal to reduce the 23/24 FIT will again disadvantage Electricity Consumers with Solar... as have ALL other previous ESC minimalist FIT edicts issued by your office annually.

ISSUE 3.

Over the recent "months", the Electricity Retailers have passed on multiple Price increases for Usage and Supply charges TO Consumers and we already know there are more painful price increases (expected to be 50% & more) still to come !

With these dynamic and MULTIPLE movements in the price of Electricity (always upwards) to ALL Consumers... ESC policy is again to SET the Feed In Tariff ONCE Annually with no review - for a full 12 month Term.

How can the ESC justify a ONE OFF Annual review of the FIT when the Electricity Retailers repeatedly pass on MULTIPLE Price increases to Consumers ?

Again I ask, where is the ESC "support" for Consumers in this decision ?

If the ESC abided by it's Mission Statement (Customer focus) then the current ANNUAL Feed In Tariff should be reviewed say Quarterly and it's magnitude should at least follow (track) the current (upward moving) Electricity Pricing the Retailers repeatedly pass onto Consumers.

ISSUE 4.

And then there is that other cherub of the Electricity Retailers only paying this latest minimalist FIT of a mere 4.8 Cents per KWH (23/24) to Consumers with a PV array.

Then, these same Electricity Retailers often "on sell" these cheap KWH for a HUGE Profit at up to 10 Times what they are obliged to pay the Consumer (Generator) through the FIT.

This is a most unfair financial arrangement for Consumers.

It is a punitive mandate on Consumers with Solar for which the ESC is most culpable.

ISSUE 5.

The Electricity Retailers (currently) pay a mere 5.7 Cents per KWH (22/23) FIT to purchase Electricity generated by Consumers with Roof Top PV arrays.

However, these same Retailers then unduly claim as a Business justification that it's costing (Retailers) significant \$costs for the Maintenance of the Poles and Wires etc. used to carry these (cheap) "Feed In" KWH.

This is a truly deceitful Business argument proffered by these Electricity Retailers.

It is at best false Accounting because these same Electricity Retailers are already and have been (forever) Billing Consumers for the ongoing Maintenance \$costs of providing "Service TO Property" using these same Poles and Wires.

These majority Privately owned Electricity Retailers have clearly managed to make a Profit charging "Service TO Property" BEFORE Solar ever became popular.

And yet (now) these same Retailers are conveniently espousing the false narrative that it costs them significant (additional) Maintenance \$\$\$ to transport Consumer generated "Feed In" Electricity on these same Poles and Wires. This of course in order to further minimise their FIT exposure.

This is a clear example of double dipping by these Electricity Retailers with their Maintenance \$cost claims.

ISSUE 6.

And finally, all Electricity Retailers are now deriving a significant financial benefit from the VERY cheap Solar Electricity generated by Roof Top Solar arrays.

Effectively, this means the cost of daytime Electricity available to these Electricity Retailers is going down.

Consequently, there appears to be a growing perception by some (ESC and the Retailers ?) that the FIT should also be reduced due to an equally incorrect perception that non solar customers "could" be subsidising solar customers...

Surely this is yet another false narrative ?

How can this argument be supported when the cost of Electricity to ALL Victorian Consumers is continuing to escalate - especially during afternoon Peak Periods with extraordinarily high pricing per KWH ?

Consumers who choose to fund their own PV Installations should be legally entitled to receive a fair and equitable monetary return (FIT) from the Electricity Retailers for their "Feed In" KWH !

So... why does the ESC continue to penalise Consumers with PV arrays through your policy of "mandating" a minimalist annual Feed In Tariff ?

Many of these Consumers have a "social conscience" and by adopting Solar have elected do the right thing by the Community and the Climate.

These Consumers have chosen to fund their own Solar PV arrays. Then the ESC Regulator "rewards" these Consumers with this latest pathetically small 23/24 FIT of a mere 4.8 Cents per KWH !

The latest ESC Proposal is most unfair for Consumers because ~~as usual~~ **OFFICIAL** it clearly favours the already very profitable Electricity Retailers.

Once again I ask, where is the ESC "support" for Consumers in this decision ?

To close - I urge the ESC to seriously consider the multiple issues I have cited above.

This in order to SET a more effective (regularly reviewed) Solar Feed In Tariff that is "realistic" and above all delivers a "fair and equitable" level of remuneration to ALL the Owners of Roof Top Solar PV arrays across Victoria.

I would be pleased to receive your response to EACH of the issues I have raised at your earliest convenience.

Thank you.

Alan.

Alan Devlin.

Formerly Trading as : RF RESALE