

Minimum feed-in tariff review 2023–24

Retail Compliance engages in the measurement of consumer sentiment and customer experience as well as advocacy for consumer outcomes. We speak to over 5000 small businesses and franchise owner operators annually.

We have no concerns about the methodology used to calculate the FiT, but despite the dramatic increase in rooftop solar amongst consumers and small business, the rules around FiT for ToU remain unchanged from the guidelines issued on 1st July 2020

A key source of frustration and confusion is the “optional” nature of ToU FiT, where, in our own internally conducted mystery shop of 16 Victorian retailers, only 1 retailer provided the option to have a variable ToU FiT paired with a variable ToU for consumption but even then, there was no clear sign-up process for this niche product. Numerous retailers had dashboards available to consumers to show daily, hourly and weekly costs, including tracking cost of consumption and FiT - the technology is built, and being showcased to consumers, but the optional nature of time varied FiT means, in effect, it’s unavailable to Victorian energy consumers to purchase.

Consumers most important priority, when asked, about feed-in-tariff is achieving high prices, but the current retail environment, because ToU FiT is optional, provides no incentive or reward for sustainable grid generation. No matter how much you produce, and when you produce it, the market effect, because of this policy, is like a room full of people all shouting at the same time. Every single consumer is “outputting” at the same time, because there’s no incentive to produce energy when it is most required, making it more like a stock market trading floor, with everybody yelling. As more and more people enter the room, the noise becomes worse, and more chaotic with every passing year. We have a runaway train, that can be managed with a simple regulatory change.

There has been increasing real-world adoption of electric vehicles, which can provide “timed” charge, “smart” home devices and programmable internal boilers (such as the Billi Quadra) as well as programmable external heat pumps, all of which attract rebates or manufacturer subsidies to consumers, and, were ToU FiT’s be made a mandatory offer, open the market to a more easy to understandable decluttered product for the consumer.

Consumers struggle to understand “why they can’t get paid more, when *they* pay more” and small business are often more incentivized by increased “income” then reduced expenses. Mandating that all energy retailers who sell ToU must also provide FiT ToU would be a step towards electricity purchase transparency and also in line with the Manufacturing Victoria roadmap, making Victoria a more attractive destination for micro-manufacturers such as 3D composite manufacturer’s and Mini-CNC.

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