



# Victoria – How to get value for your renewable energy and feed-in tariffs explained

If you own a renewable energy system that is connected to the electricity grid, and you generate more electricity than you use, you may be able to sell that excess into the grid and be paid for it. This payment is called a feed-in tariff. This factsheet provides information about how you can maximise the value of your renewable energy by shopping around for the best feed-in tariff for you.

## What is a feed-in tariff?

A feed-in tariff is a payment made by an electricity retailer in exchange for electricity that you can feed into the electricity grid from the generation of renewable energy, such as solar PV, wind, hydro or biomass systems.

A retail electricity offer with an attractive feed-in tariff may come with less appealing features such as higher fixed charges or less attractive discounts for usage. Make sure you consider all components of the retail offer to seek out the product that best suits your circumstances.

## Retailer-paid feed-in tariffs

Retailers offer feed-in tariffs at different rates. Retail electricity offers may include several components such as the daily fixed charge for being connected to the network, the electricity usage charge, any discounts applied to the fixed or usage charges, and the feed-in tariff for electricity you export to the electricity grid.

## You can maximise the value of your renewable energy by shopping around

To maximise the value of your renewable energy, you should shop around or negotiate with your electricity retailer for the best feed-in tariff rate to meet your circumstances. However, the feed-in tariff offer is only one component of your final retail electricity bill.

To compare retail electricity offers, visit the Victorian Government's price comparator website, [Victorian Energy Compare](#).

## How is the retailer-paid feed-in tariff rate determined?

Each year the Essential Services Commission (ESC) determines the minimum feed-in tariff rate that retailers (with more than 5000 customers) must pay for unused electricity generated using their renewable energy systems. The minimum rate set by the ESC that is applicable from 1 July 2017 is 11.3 cents per kWh. However retailers of all sizes offer feed-in tariffs, and many retailers currently offer rates above the minimum 11.3 cents per kWh.

This means you should negotiate with your retailer and shop around for the best deal that will meet your circumstances.

## Which Feed-in tariffs are closed to new applicants?

Between 2008 and 2012, the Victorian Government commenced the Premium, Standard and Transitional Feed-in Tariff Schemes.

Depending on which scheme customers signed up for, they received different feed-in tariffs. The Standard and Transitional Feed-in Tariff Schemes ended on 31 December 2016. Customers on these schemes have now stopped receiving payments from these schemes.

The Premium Feed-in Tariff Scheme is closed to new entrants but is still running for those customers who have already signed up. Customers already on this scheme will continue to receive feed-in tariff of 60 cents per kWh until 2024.

## Am I affected by the closure of the Standard and Transitional Feed-in Tariff Schemes?

If you were a customer of the Standard and Transitional Feed-in Tariff Schemes their closure mean you stopped receiving feed-in tariffs of either a 'one-for-one' retail electricity rate, if you were on the Standard feed-in tariff scheme or a minimum of 25 cents per kWh if you were on the Transitional Feed-in Tariff Scheme.

From 1 January 2017, your feed-in tariff reverted back to the minimum feed-in tariff, currently 11.3 cents per kWh. This means you can now shop around for a retailer's feed-in tariff offer that best suits your circumstances.

You can compare retail electricity offers by visiting [Victorian Energy Compare](#).

If you are a customer of the Premium Feed-in Tariff Scheme and currently receive a feed-in tariff at 60 cents per kWh, you will continue to be paid feed-in tariffs at this rate until 2024 (as long as your eligibility for the scheme has not changed). Speak to your retailer if you are unsure of whether this applies to you.

## Do I have to change my meter?

No, you do not have to change your meter. If you were a customer of the Standard or Transitional Feed-in Tariff Schemes you already have net metering. This means electricity generated with your renewable energy system is first used to meet any household consumption that takes place at the time of generation. You then receive a feed-in tariff for exporting any electricity in excess of your consumption to the electricity grid.

This has not changed even though the Standard and Transitional Feed-in Tariff Schemes have ended. Rather, you now receive a retailer-paid feed-in tariff for your unused electricity.

## Making the most of your renewable energy system

You can make the most of your renewable energy system by using timers on appliances such as dishwashers and washing machines, and running these appliances during daylight hours.

If heating or cooling in your household is powered using solar PV generation, consider pre-heating or pre-cooling your house to take advantage of unused solar electricity generated in daylight hours. This can be done by programming electric heating or cooling appliances to switch on early in the day, but set at a relatively conservative temperature.

## Should I be using battery storage?

Batteries allow households to store renewable energy for use during non-daylight hours. However, adding battery storage to your household may involve a high upfront cost. The overall value of investing in battery storage will differ based on the upfront cost, the size of your renewable energy system, the retail rates available and your location. Differences in the weather and the size of your renewable energy system will determine the amount of electricity your system will generate. Smaller renewable energy systems mean less unused electricity is generated to store and use when the sun is not shining. Make sure you compare the overall benefits with the total costs before investing in battery storage.

## More information

For more information about the feed-in tariff schemes, see Department of Environment, Land, Water and Planning website <https://www.energy.vic.gov.au/>

For more information about the current minimum electricity feed-in tariff rate, see Essential Services Commission website <http://www.esc.vic.gov.au/>

To help you compare retail offers, see Victorian Energy Compare website <https://compare.switchon.vic.gov.au>

## Australian Energy Regulator

Infoline 1300 585 165

Website [www.aer.gov.au](http://www.aer.gov.au)

Energy Made Easy [www.energymadeeasy.gov.au](http://www.energymadeeasy.gov.au)

## Other contacts

Indigenous Infoline 1300 303 143

For information in languages other than English call 13 1450 and ask for 1300 585 165

Speak and Listen users phone 1300 555 727 and ask for 1300 585 165

TTY users phone 13 3677 and ask for 1300 585 165

Internet relay users connect to the National Relay Service (<http://www.relayservice.com.au>) and ask for 1300 585 165

Australian Competition and Consumer Commission

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