

## Victoria's Premium Feed-in Tariff – comparison of offers

In late 2009 the long-awaited Victorian *premium feed-in tariff for solar* came into effect. Under the scheme, Victorian homes with solar photovoltaic electricity (PV) systems up to 5kW in capacity will be paid a minimum of 60c/kWh for any additional electricity they feed back into the grid after in-home consumption. Victorian electricity retailers with a more than 5000 customers are legally obliged to provide a *premium feed-in tariff* to eligible customers. This covers the majority of the 14 electricity retailers operating in Victoria.

Moreland Energy Foundation (MEFL), in conjunction with the Alternative Technology Association, has conducted a brief assessment of currently-available *premium feed-in tariff* offers. This consisted of a survey sent to all electricity retailers as well as a review of information listed on retailers' websites.

The following retailers responded to our survey: Origin Energy; Australia Power and Gas; AGL Energy; Simply Energy; and TRU Energy. [See Table 1, below]

The following retailers are yet to respond: Country Energy; Red Energy; Energy Australia; and PowerDirect. In these cases, we undertook an assessment of offers listed on the retailers' websites [See Table 2]

Four retailers appear not to have *premium feed-in tariff* offers: Click Energy; Neighbourhood Energy; Victoria Electricity; and Momentum Energy [see Table 3]

The tables below do not rank the offers from retailers. However, MEFL has highlighted aspects of each offer that it considers are important. The following conventions have been used:

- Aspects that we considers positive or favourable are listed in **green**
- Aspects that we considers negative or problematic are listed in **red**
- Green or red text that is in **bold** type indicates aspects that are particularly favourable or negative

### Please note:

- While we have endeavoured to ensure that the information is as accurate as possible, this comparison should be used as a guide only
- You are strongly encouraged to obtain and read any contract, terms and conditions and related schedules before signing on
- The information in the tables was gathered in November and December 2009. All retailer offers are subject to change, and you are advised to contact your preferred retailer for their latest offers / terms & conditions
- Some *premium feed-in tariff* offers are linked to particular electricity purchasing tariffs (i.e. how much you pay for electricity) – be sure to check with your retailer if this is the case and evaluate the financial implications of any changes to your current electricity purchase tariff that may results from switching retailers or accepting a particular *premium feed-in tariff* offer

### Some additional questions you should ask before signing on to any *premium feed-in tariff* offer:

- “Are there any additional charges (account keeping, administration, etc) I will be subject to if I accept your premium feed-in tariff offer?”
- “What is the term of this offer and are there any fees or penalties if I wish to leave the contract early?”

<b>Table 1: Retailers who responded to the survey:</b>		<b>Origin Energy</b>	<b>Australian Power and Gas</b>	<b>TRU Energy</b>	<b>AGL Energy Limited</b>	<b>Simply Energy</b>
<b>Tariff</b>	Premium feed-in tariff rate offered (c/kWh)	<b>66c</b>	60c	<b>66c</b>	<b>68c</b>	60c
<b>Excess Credit at the end of 12 months</b>	Is any excess credit paid out at the end of 12 months?	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
	Is this an automatic process, or is the customer required to apply to have this paid out?	<b>Automatic payment at the end of 12 months</b>	<b>Excess credit is not paid out</b>	Customer must make a request after the end of 12 months	Customer must apply (cheque or EFT)	Customer must apply by phone
	Is there a time limit within which the customer must apply?	n/a	n/a	No	<b>10 working days*</b>	No
	Is there a minimum credit balance a customer must exceed before being eligible to be paid?	<b>Yes (\$50)</b>	n/a	<b>No</b>	<b>Yes (\$50)</b>	<b>No</b>
	Is there any fee levied for being paid out any excess credit?	No	n/a	No	<b>Yes (\$10)</b>	No
	What happens to any remaining credit not paid out?	Credit carried over to the next billing period	<b>Remaining credit expires</b>	Credit carried over to the next billing period	Credit carried over to the next billing period	Credit carried over to the next billing period
<b>RECs, etc</b>	Does the customer retain ownership of all Renewable Energy Certificates (RECs) and other environmental rights created by their system?	<b>Effectively, yes<sup>#</sup></b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>Retail offers</b>	Is the premium feed-in tariff linked to a specific retail offer(s)?	Customer eligible for typical retail offers for their region <sup>^</sup>	Customer eligible for typical retail offers for their region <sup>^</sup>	<b>Linked to TRU's 'Go Easy' and 'Go For More' retail plans</b>	Customer eligible for typical retail offers for their region <sup>^</sup>	Customer eligible for typical retail offers for their region <sup>^</sup>
<b>Off-peak hot water</b>	Does the retailer require the removal of dedicated off-peak supply meters for solar customers?	No	<b>Yes</b>	No	No	No
	Are solar customers eligible for dedicated off-peak hot water / heating supply tariffs?	Depends on the network area and the metering requirements of the local distribution business	Depends on the network area and the metering requirements of the local distribution business	Depends on the network area and the metering requirements of the local distribution business	Depends on the network area and the metering requirements of the local distribution business	Depends on the network area and the metering requirements of the local distribution business
<b>GreenPower</b>	Is the customer still eligible to purchase GreenPower for their electricity consumption?	<b>Yes</b>	<b>Yes</b>	<b>Not at present</b>	<b>Yes</b>	<b>Yes</b>
<b>Eligible customers</b>	Are all classes of customers (residential, business, etc) eligible to receive the offer?	Yes	Yes	Yes	Yes	Yes

\* This differs from the response given by AGL, however is in line with our interpretation of AGL's premium feed-in tariff Terms and Conditions

<sup>#</sup> Origin's Contract states that the customer must surrender RECs to Origin; however this clause is over-ridden by the Scedule, and Origin insist that they have no intention of requiring customers to surrender

<sup>^</sup> In some cases your retail charges may change as a result of changes in tariffs imposed by the local network provider

**Table 2: Retailers who did not respond to the survey:**

		Country Energy	Red Energy	Energy Australia	PowerDirect
<b>Tariff</b>	Premium feed-in tariff rate offered (c/kWh)	60c	60c	60c	<b>68c</b>
<b>Excess Credit at the end of 12 months</b>	Is any excess credit paid out at the end of 12 months?	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>
	Is this an automatic process, or is the customer required to apply to have this paid out?	n/a	Customer must apply in writing	n/a	Customer must apply
	Is there a time limit within which the customer must apply?	n/a	Within 30 business days of 12 month anniversary bill	n/a	<b>10 working days</b>
	Is there a minimum credit balance a customer must exceed before being eligible to be paid?	n/a	Yes (\$10)	n/a	<b>Yes (\$50)</b>
	Is there any fee levied for being paid out any excess credit?	n/a	Unclear (possibly \$10)	n/a	<b>Yes (\$10)</b>
	What happens to any remaining credit not paid out?	<b>Any excess credit is extinguished after 12 months</b>	Not stated, but appear to be extinguished if not specifically applied for	<b>Any excess credit is extinguished after 12 months</b>	Not specified
<b>RECs, etc</b>	Does the customer retain ownership of all Renewable Energy Certificates (RECs) and other environmental rights created by their system?	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>Retail offers</b>	Is the premium feed-in tariff linked to a specific retail offer(s)?	Not specified	Not specified	Not specified	Not specified
<b>Off-peak hot water</b>	Does the retailer require the removal of dedicated off-peak supply meters for solar customers?	Not specified	Not specified	Unclear	Not specified
	Are solar customers eligible for dedicated off-peak hot water / heating supply tariffs?	Not specified	Not specified	Unclear	Not specified
<b>GreenPower</b>	Is the customer still eligible to purchase GreenPower for their electricity consumption?	Not specified	Not specified	Unclear	Not specified
<b>Eligible customers</b>	Are all classes of customers (residential, business, etc) eligible to receive the offer?	Yes	Unclear	Yes	Yes
<b>Other</b>	* <u>Please note</u> : other retailers may also have administration or other fees. It is recommended you check for any additional fees before signing on to a contract.				<b>PowerDirect charge a \$25 administration fee per billing cycle</b>

**Table 3: Retailers who don't appear to have an offer at present:**

Click Energy	Momentum Energy	Victoria Electricity	Neighbourhood Energy
Offer coming early 2010	Nothing found on the website	Nothing found on their website	Nothing found on the website