



EASTERN ALLIANCE  
FOR GREENHOUSE ACTION

C/O - MAROONDAH CITY COUNCIL  
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29 January 2018

Essential Services Commission  
Level 37/2 Lonsdale Street  
Melbourne VIC 3000

To whom it may concern,

**Re: ESC Draft Decision on Minimum Feed-in Tariffs to Apply from 1 July 2018**

The Eastern Alliance for Greenhouse Action (EAGA) is pleased to provide this response to the Essential Services Commission's draft decision regarding the *Minimum Electricity Feed-in Tariffs to Apply from 1 July 2018*.

EAGA is a formal Alliance of eight councils in Melbourne's East, committed to delivering mitigation and adaptation projects and advocating for initiatives that support sustainable, low carbon communities. Our members include:

- City of Boroondara
- Glen Eira City Council
- Knox City Council
- Maroondah City Council
- City of Monash
- City of Stonnington
- City of Whitehorse
- Yarra Ranges Council

EAGA urges the ESC to consider the following recommendations relating to the two proposed tariff structures:

***The single rate feed-in tariff***

Whilst EAGA supports having a single base rate tariff, we believe it should be retained at the current rate of 11.3 c/kWh to avoid additional confusion and uncertainty in the solar market. This is particularly critical for the low income households participating in the Solar Savers program.

EAGA is leading the delivery of Solar Savers – local government's flagship program assisting over 900 vulnerable households to install solar PV to reduce electricity costs and stay cool in heatwaves. The program is supported by a \$0.76M State Government grant (via the New Energy Jobs Fund) and is being delivered in partnership with two other Greenhouse Alliances across twenty-five participating councils. If the feed in tariff were to decrease from 11.3c/kWh to the proposed 9.9c/kWh, the net financial benefit of participating households would decrease by an average of 18% (over ten years). This will negatively impact the number of households able to participate and limit the reach of the program.

### ***The time-varying feed-in in tariff***

EAGA wishes to express its general support for the proposed tariffs, in particular those that recognise the value of renewable energy produced at peak times when the value of the electricity generated is highest in the energy market.

There is currently 9.1MW of solar PV installed on council owned and operated facilities across the state, with an estimated 51MW of untapped potential on council rooftops.<sup>1</sup> The introduction of the proposed time varying tariffs is likely to incentivise additional installations (and storage) and facilitate councils capturing this opportunity.

However, it is unclear how the introduction of such a tariff would be treated and reflected by retailers, in the same way as there are concerns with how retailers will reflect the new tariff structures proposed by network operators. Consequently, we would recommend close monitoring of the effect of the proposed tariffs on both the operations of the network and households, especially those that are vulnerable to energy price rises. EAGA also recommends that all retailers be incentivised to offer both tariff structures, to fast track the availability of options ahead of the proposed transition timeline.

Should you have queries or questions relating to this letter, please contact Scott McKenry, EAGA Executive Officer on [scott.mckenry@maroonodah.vic.go.au](mailto:scott.mckenry@maroonodah.vic.go.au) or 03 9298 4250.

Kind regards,



Cr Josh Fergeus  
Executive Committee Chair  
Eastern Alliance for Greenhouse Action  
Councillor, City of Monash



*This submission has been approved through EAGA's formal governance structure as described in the EAGA Memorandum of Understanding 2017-21. The submission may not have been formally considered by individual member councils.*

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<sup>1</sup> SURVEY REPORT (2018) Electricity Procurement and Management in the Victorian Local Government Sector ([link](#))