

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.

MEFL 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; TRU Energy; and Jackgreen. [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 MEFL considers positive or favourable are listed in **green**
- Aspects that MEFL 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 MEFL has 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 result 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?”

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

[#] 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

[^] 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 MEFL survey:

		Country Energy	Red Energy	Energy Australia	PowerDirect
Tariff	Premium feed-in tariff rate offered (c/kWh)	60c	60c	60c	68c
Excess Credit at the end of 12 months	Is any excess credit paid out at the end of 12 months?	No	Yes	No	Yes
	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	10 working days
	Is there a minimum credit balance a customer must exceed before being eligible to be paid?	n/a	Yes (\$10)	n/a	Yes (\$50)
	Is there any fee levied for being paid out any excess credit?	n/a	Unclear (possibly \$10)	n/a	Yes (\$10)
	What happens to any remaining credit not paid out?	Any excess credit is extinguished after 12 months	Not stated, but appear to be extinguished if not specifically applied for	Any excess credit is extinguished after 12 months	Not specified
RECs, etc	Does the customer retain ownership of all Renewable Energy Certificates (RECs) and other environmental rights created by their system?	Yes	Yes	Yes	Yes
Retail offers	Is the premium feed-in tariff linked to a specific retail offer(s)?	Not specified	Not specified	Not specified	Not specified
Off-peak hot water	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
GreenPower	Is the customer still eligible to purchase GreenPower for their electricity consumption?	Not specified	Not specified	Unclear	Not specified
Eligible customers	Are all classes of customers (residential, business, etc) eligible to receive the offer?	Yes	Unclear	Yes	Yes
Other	* <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.				PowerDirect charge a \$25 administration fee per billing cycle

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