

Independent Pricing and Regulatory Tribunal
16/2–24 Rawson Place
Sydney, NSW, 2000

To the convener

Solar feed-in tariff benchmarks review

Thanks for the opportunity to make a presentation to this hearing – it was my first attempt at such an event as was made obvious by leaving my microphone muted. Please note that although I was invited to make a presentation on behalf of the Solar Citizens organisation, the views expressed in my presentation and this submission are my own.

Suggestions for calculating the FiT...

- I understand that the benefit of the FiT payment for excess solar generation is declining, due in large part to falling wholesale prices caused by that same excess solar generation. However solar owners are entitled to payment for the benefit their generation provides to ALL consumers, both for the electricity that does not need to be generated by burning fossil fuel, and for the health benefits for the whole community due to the resulting decrease in atmospheric pollution. The retailers are the most obvious entity to contribute to the cost of the first benefit, and the electricity consumers who do not have solar installed are the most obvious to be liable for the cost of the second, with their contribution paid via their retailer in proportion to consumption. I propose that the FiT would therefore comprise two parts - one for wholesale and other costs avoided by the retailer, distributor and transmission companies, the other for health costs avoided. IPART has much expertise in calculating the former, and there have been many studies to estimate the cost to society as a whole of the latter, as demonstrated by the ESC in Victoria.
- The FiT should also vary by time of day (low at peak generation times) to more accurately represent the value of locally generated power, and thereby to encourage self-consumption, by running electric hot water systems, clothing and dish washers, charging electric cars, etc.
- The FiT should also vary by location, to encourage solar and storage installations in rural and remote areas, where supply is more at risk.

Suggestion to simplify consumer choice of retailer...

- From my experience, some retailers structure their charges to make comparisons with other retailers as difficult as possible, no doubt with the intention of convincing customers that changing retailers is just too complicated. I would like to suggest that IPART attempt to reduce the complexity facing consumers in choosing a retailer as much as possible, by for instance, mandating a minimum FiT for all retailers, varying by time of day for those with interval and smart meters. However I understand that IPART does not have this ability, so an alternative could require that retailer's offer documentation include a listing of the current IPART suggested FiT regime to make it obvious which retailers are attempting to unfairly exploit their power.

Finally, as mentioned in my presentation, alternatives to the FiT for providing a better return on the investment in a solar and battery system are being developed. I have enrolled our home system in two trials...

- The Evergen/Ausgrid trial, where control of the battery is taken over when required by Evergen to supply stored energy to the grid. This is unlikely to be required very often, but when it is we will be paid \$1/kWh of electricity provided, plus \$10/month. The battery will not be used if the remaining supply falls below 20%
- The enosi/EnergyLocals "PowerTracer" trial, where the exported electricity from our system, as measured by the smart meter, can be designated to be supplied to three other EnergyLocals smart/interval meter equipped customers, at a price agreed between us.

The "reposit" system, which will not work with our system, provides the same kind of functionality as the Evergen/Ausgrid system. Another VPP project called UPOWR has recently made an appearance. I suggest that IPART should encourage the use of this kind of technology as a partial replacement for the FiT, or at the very least, do nothing that would discourage its development and widespread implementation. Payment for the community health benefits of solar feed in should continue to apply, regardless of the fate of the wholesale price component of the FiT.

Thanks for your attention.

Peter Youll