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Solar Feed in Tariff Submission.

The World, Australia, New South Wales and the grid are undergoing constant change as renewable power is rapidly taking over from fossil fuel generation.

Fossil fuel generation is a very old manufacturing and marketing model that relied on a corporate body building a power plant and selling the power it made to consumers who lived remote from the point of generation.

That obsolete model is rapidly being replaced by renewable energy generation at or close to the point of consumption. The generation equipment, its management and operation is commonly the responsibility of the consumer / owner.

In NSW the uptake to solar has been huge and very rapid with almost a quarter of all households having their own solar power with some not connected to the grid. This uptake is certain to continue. Fossil fuel generation is declining and will continue to decline.

As the main regulator for electricity prices in NSW IPART has the responsibility to set prices that are fair, reasonable and stimulate competition.

It is my view that IPART is not exercising its duty or acting responsibility by setting very low feed in tariffs.

Low feed in tariffs have a number of very serious negative impacts/ Please consider the following:-

- Low feed in tariffs rob funds from home owners and small businesses. Commonly the feed in tariff money is used or reinvested into more solar infrastructure. Solar owners are hungry for more solar but are limited by funds available.
- Households are very stressed for money. Greater feed in tariffs are of major assistance to household budgets. Higher feed in tariffs help fund the purchase of larger systems and batteries and reduce the expenditure on electricity by the household.
- Low feed in tariffs will slow the transition from fossil fuel to renewables thereby:-
 - Harming the environment
 - Slowing the installation of solar
 - Forcing additional spending on poles and wires

- Starving the community and industry of power.

Right now, when rooftop solar owners sell their excess power back to the grid they receive only a minor fraction they pay to buy power from the grid. How can this be fair and reasonable? How can IPART justify this?

Please consider:-

- The power that is sold to the grid meets the same quality standards and specifications as all the other power in the grid.
- The power sold to the grid by one house in the street can be sold to the next door neighbour or the person in the unit opposite or the little shop on the corner. The price they pay is the normal price set by IPART but the supplier purchased that power via the feed in tariff for about a quarter of the sale price and incurred almost zero costs of sale. How can this be explained? Surely IPART could not support such exploitation.
- A property can export power to the grid and within less than an hour can buy it back. Why is the price not the same for both transactions?

It is very clear that IPART'S electricity price determination for consumers is hopelessly out dated and no longer fit for purpose. The model is based on industries and transport using lots of power in the day time, at morning and evening peak periods and at off peak rates at late nights and in the early hours of the morning. Prices are scaled to stimulate consumption at off peak periods and to curtail demand during peak and shoulder periods.

Solar now provides a glut of power during the times of strong daylight and a shortage of power at night.

Before any feed in tariff is set the supply pricing model must be reworked to reflect the true position.

It would be totally irresponsible of IPART to ignore the needs of the electricity market and to act in opposition to the community driven transition process. Rather IPART should be facilitating the change.

The time frame for the feed in tariff determination is likely to incur some serious challenges due to the introduction of battery storage technology, EV uptake and a host of other new technologies.

To complicate pricing arrangements the practice of having nonstandard pricing and supply agreements with businesses such as Tomago Aluminium their arrangements must be re addressed. With the smelter using about 10% of the State's electricity surely

they cannot continue to have special pricing arrangements that are not compatible with the States power generation arrangements.

The suggestion by IPART that the costs to electricity distributors to process the power supplied to the grid is considerable is certainly questionable. It is like the Post Office wanting to charge people for letters they do not send or petrol companies wanting to charge for petrol saved when a person buys a more fuel efficient vehicle.

The solar panel owner has no choice to whom they can sell their excess solar electricity to. It is a monopoly.

The use of solar or other forms of renewable power in almost all homes and businesses is no longer restricted. Even mobile accommodation like caravans and motorhomes can have solar power if they choose. There are also options for tenants to benefit from solar energy. This removes the myth that sections of the community without solar are subsidising solar users.

Finally the proposed feed in tariff does not seem compatible with normal commercial transaction practice. The price placed on a commodity is used for the quotation, sale, valuation and refunds. Why is the feed in tariff not of equal value to the purchase price?

Conclusion

- Whilst electricity suppliers are not compelled to follow IPART's feed in tariff price guide the guide is an important instrument in setting the feed in tariffs.
- Power generation and distribution is rapidly changing and the pace of change is hastening rapidly.
- Solar systems are providing huge benefits to all who choose to adopt the new technology
- There is no reason why the feed in tariff should not be equal if not greater than the purchase price paid by households and businesses.
- It is very important for IPART to be a strong backer of the new technologies and not a crutch to support obsolete technology.

I trust IPART will consider this submission.

It's time that solar owners are recognised for the power they feed back into the grid and are paid a fair price for the sunny energy that benefits all consumers.

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