

SUBMISSION TO IPART REVIEW
SOLAR FEED-IN TARIFFS 2017/18

Tuesday, 9 May 2017
11:58:22 AM

Attn IPART energy pricing review.

I read an interesting account of the pricing mechanism adopted by US energy retailers wherein it was explained how energy prices were set. In brief the minimum retail price is benchmarked against the lowest price currently being paid for any energy purchased from suppliers, but the current market price is benchmarked against the highest price currently being paid for energy from any source.

This means that solar PV tends to set the minimum available price for industrial consumers etc and natural gas tends to set the current price for the domestic sector.

As a vendor of solar PV I find it mildly insulting that retailers can purchase my excess energy from me in the morning and sell it back to me 12 hours later for 4x the price, but I guess that is a little like parking your car in an inner city parking lot (or Sydney Airport) and wondering why it costs so much.

I think that I would be inclined to adopt the attitude of the jingle from the superfunds that reminds us that 'we are all in this together' and to hope that the industry recognises that whilst they have every opportunity to hold their clients to ransom, there are good ethical and commercial reasons why they should not do so. Very soon they may need us more than we need them!

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