

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

Friday, 19 May 2017

10:26:46 PM

Dear IPART,

Thankyou for the opportunity to make this submission.

The ending of the previous feed-in tariff agreements at the beginning of 2017 has created a wild west situation regarding the compensation that private generators of solar electricity are now able to get from their electricity retailers. In the absence of uniform rules governing entitlements to and payment of a fee per kilowatt hour of solar energy, many retailers have taken unfair advantage of private producers of electricity.

I used to receive 60 cents per kWh, which was a very generous rate that really only made sense in the context of the scheme that began in 2008/9, when there were almost no rooftop solar installations in Australia and the government wanted to provide a sure-fire incentive for their rollout of renewable energy. It worked. Now, with over a million households pumping clean renewable energy into state grids, it is reasonable to have a lower price.

That price needs to be standardised across each state, and possibly the nation. This would promote certainty for new investors in solar energy generation, that they will know how long it will take to repay their investment in a solar array.

Producers of solar energy, whether large or small scale, are doing the big retailers a favour by saving them the cost of investing in new generation and distribution plant. This should be recognised in a fair price being paid per kWh by the retailers to the producers. That price needs to be guaranteed by the law in each state, or the Commonwealth, and it needs to be standardised so that everyone knows in advance how much they will pay or receive for energy.

Australia is blessed with more abundant solar resources than almost any other country, yet our governments have been generally slow to take advantage of this national advantage. A feed-in tariff will have to strike a balance between continuing to attract private investment in solar generation capacity to make up for the reluctance of our governments to invest in renewable energy, and enabling electricity retailers to make a reasonable profit when they onsell electricity that they have not had to invest in the production of themselves. I think this profit should be no more than 10% of the retail price of electricity at the time of consumption, leaving a minimum of 90% of that price to the producer.

Energy retailers should be compelled to pay private producers of solar electricity a feed-in tariff of at least 90% of the final sale price, assuming that this sale price is standard for all types of electricity sold by a particular retailer. This will provide an incentive for retailers to keep energy prices to consumers reasonably low.

Energy retailers should also be required to offer a choice of direct payment to private producers of solar electricity, or a rebate of the same amount that is deducted from regular bills. I have been using the latter system with Energy Australia, and more recently Powershop, both with satisfactory results.

Yours sincerely,

John Bartholomew

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