

Dear Sir

This is my second submission. My first submission was relating to the current billing systems for 3 phase homes with solar connected, and how the current billing system significantly disadvantages individuals to the financial benefit of the power company when a single inverter solar system is connected to a 3 phase home. This was submitted via a word document and I trust this was received.

This second submission is brief and to the point.

If the feed in tariff that is provided reflects purely the economic value to the power company, then there should be no reason to cap the size of the capacity of the solar system. Currently limits are at 10 kwh generation capacity. I think this is being used by some providers (like AGL), who offer 8c per kwh. For NSW the production is 4 kw per 1 kwh production installed. Hence for a 10kwh system, the 4x10x365c8c ie \$1168 per annum is the maximum possible payable, ie \$300 per quarter. This is a theoretical maximum. Most peoples power bills are more than this, and few people have a 10 kw systems. Ie AGL secures customer loyalty for small economic cost.

If there is no cap on the system size. it will encourage people to size their systems to their need on energy. It will not in any way, effect the cost of the feed in tariff. It will enable those who can produce more electricity to be able to do so, for the benefit of those who are not able to produce as much.

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