

Author name: D. Synnott

Date of submission: Thursday, 6 June 2013

Submission:

In responding to IPART's request for submissions to this review I am concerned that I am specifically excluded from providing the data necessary. This is since in 1.1 of the Fact Sheet excludes "*benefit or cost arising from - - - any potential benefit to wholesale energy costs arising from the 'merit order effect'*".

Also the review Box 1 contains now outdated prejudice against roof-top solar systems when it refers to: '*subsidized feed in tariffs*' and states that '*the scheme is paid for in two ways: a levy on all electricity customers ---*'

Both of these restrictions are dealt with explicitly in the April 2013 report by the Centre for Policy Development "**Going Solar: Renewing Australia's electricity options.**"

This well-researched paper states inter alia:

- Modelling suggests Australia's current level of rooftop solar would have reduced wholesale electricity revenues by A\$300 – A\$400 million, or 4 – 7 per cent based on prices in 2009 – 2001. These reductions should benefit all consumers, if they are passed on by retailers."
- Rooftop solar can avoid or defer the cost of network upgrades, particularly in rural areas.
- If rooftop solar is distributed over a wide area, its output will be smooth and predictable.
- The average household bill jumped \$700 – or 63 per cent - between 2007 and 2012. Network charges added almost \$300 per year. The Renewable Energy Target and state government feed-in tariffs were responsible for only \$77, or 7 per cent of the overall increase.

Clearly, rooftop solar provides a benefit for all users of electricity by reducing wholesale electricity prices charged by generators to retailers – due to the 'merit order effect'. It is up to IPART to ensure retailers pass on to all their customers this benefit, and to encourage more households to install these systems. IPART should use the feed-in tariff to achieve this end.