

SOLAR FEED-IN-TARIFFS

John Packe

Re - Invitation for submissions

We have recently installed a 5 kW PV Solar System at the cost of \$17,352 and are disappointed at the proposed very low feed-in-tariff being suggested by IPART.

The whole report seems to be very much oriented towards looking after the electricity companies and the NSW State Government with little or no concern for the people who have invested in Solar Power. Surely we are entitled to a fairer price as we have saved the government and/or power generation company from having to install extra generation to meet the States daytime energy levels.

We have through out this report used the term 'electricity company' as the owner(s) of the company changes that often that by the time you get this report it may have changed again!

It seems very unfair to sell the electricity company a kWh of 6 cents and then to have to buy it back a short time later at 28.25 cents. Not a bad mark-up for doing nothing!

We are not asking for the 60 cents that was previously offered(which was a totally unreasonable figure) but something closer to parity so the we buy and sell at about the same price.

As we now have been put on TOU (Time Of Use) tariff perhaps and an average of the Peak, Shoulder and Off-peak rates could be used?

E.g. Average = Peak Rate + Shoulder Rate + Off-peak Rate

Per the present Origin Tariffs

Average = 28.246 + 28.246 + 14.143 = 25.90 cents/kWh

Or perhaps include the hour for which each of the tariff segments operate per week.

Again per Origins Tariffs

Average = (28.246 x 25hrs + 28.246 x 50hrs + 14.143 x 93hrs)/168 = 20.43 cents/kWh

Each electricity company then could apply its own tariff/hours when competing for customers and would be self adjusting. IPART would only need to set the tariffs and the FIT would take care of its self.

Interesting that about 20 cents is the figure used by other states.

Incidentally IPART suggests increasing the FIT by about 2 to 4 cents higher than the present 6 cents. When we installed the PV Solar our peak tariff automatically went from 26.23 cents to 28.25 cents i.e. an increase of 2.01 cents so virtually cancelling any increase you might have proposed.

Although we are now included as part of the City of Albury and pay rates 300% more than when we were under Hume Shire Council we are still considered to be rural by the electricity company.

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One item that does not show up in the Appendix Table K.1 is the presently called "Service Availability" or "Supply Charge" charge which is applied to rural customers. (I understand city customer do not pay this charge).

If I remember rightly, this started out as meter reading charge to cover the cost of having to send a meter reader out in the rural areas to get the necessary meter data. Over the years this, like the name/owners of the power company has changed name to suit the idiom for that era.

E.G.

- In 1992 it was called 'Service Charge',
- In 1996 'Access Charge',
- In 1999 'Standing Charge',
- In 2000, "Network Access Charge"
- In 2007 "Service Availability Charge" per Country Energy
- In 2011 "Supply Charge" per Origin Energy

Incidentally this charge back in 1992 represented approx. 6% of our total bill. In 1997 it rose to about 11% and in 2011 it represented 15% of our account!

This charge is **charged per day** and not on the amount of energy consumed. It is interesting that even if we generate all our own electricity needs the power company will still reap about \$500 a year from us per this charge!!!

IPART should include this charge when considering the income and costs in Table K.1.
What level will IPART allow this charge to reach in the future?

Also I notice as part of the power company(s) justification for keeping the buy back price at minimum is the claim for green energy. As the solar installer has already done their bit in this direction should they also have to pay again?

If the IPART recommendation of some where between 8 > 10 cents is adopted I will be recommending that new solar people that they only install what they use during the day and do not bother generating extra for the NSW states benefit.

My conclusions

1. IPART should consider PV Solar producers as part of the whole picture and insure that they get reasonable returns for their investment
2. IPART should include the "Service Availability" charge as part of the derived income when considering
3. The buy back price should be near or equal to the selling price. Suggest the average of the TOU 3 tariffs (Peak, Shoulder & Off peak) This would automatically compensate for any tariff variations.
4. Recommend to new PV Solar customers that they only install what they need to meet their day time needs and not worry about producing ant excess.
5. Investigate changing our PV Solar System to stand-alone and disconnect from the state grid.