

Dr Sarah Leitch

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IPART
(Independent Pricing and Regulatory Tribunal)

To Whom it may concern

SOLAR FEED-IN-TARIFFS 2013 to 2014

We have recently installed solar panels for our own private residential use. The downside is the way the feed-in-tariffs work and that is certainly **NO** incentive for people to install solar panels.

At present it seems that the feed-in-tariff system is very lame given that energy retailers can set their own rate, choose to pay a pittance if at all, and then charge an exorbitant rate for us to buy back the energy we produced just that afternoon after the sun has ceased generating power through our panels. This is absurd. This does NOT give any incentive for homeowners to now install solar panels, which in turn makes power producers and retailers reliant on non-renewable resources for power to provide to customers. Is this the attitude we really want to be fostering when renewable energy should be encouraged?

We would like to propose a much fairer and incentive driven tariff system that will encourage consumers to go solar, not to make money, but to be energy efficient by utilising renewable resources, in this case the sun, which is so plentiful in Australia. It also stops the retailers ripping off small suppliers (solar panelled households) who need to draw on energy at night more than they would during daylight hours. Net metering means that during the daylight in which your solar panels produce energy; any energy the household does not consume immediately on production is put out into the grid. Our proposal is this:

In a given billing cycle the household should be able to, at night, draw back on excess energy produced during daylight hours in a direct 1 kW for 1 kW free of charge. Thus the energy itself is acting as a credit rather than being paid a pittance (or not paid at all in some cases) and then charged an exorbitant fee to buy back the energy you only just produced that day. Ultimately in winter homeowners will pay a an extra amount if their production during daylight is less than the consumption at night due to less daylight hours and more wet weather, and in summer the bill would be minimal (apart from a service to property charge). Some would even go further and suggest that the cycle should not be a billing cycle, but an annual one. In that way solar panelled households with net meters would have a minimal energy consumption bill and a service to property fee.

Although this is a fairly radical proposal it makes logical sense as it will

- a) Create incentive to install solar and thereby help boost the solar industry in Australia;
- b) Enable home owners to pay off their solar system at a faster rate when not in the solar scheme;
- c) Reduce burden on hydro electricity schemes in summer when water/rain are scarce and make use of excess water/rain in winter during wetter months.

We realise the energy retailers may not like this proposal because greed in the business sector often comes before caring for our environment, but we need to be considering how to make renewable energy a desirable method of energy production without government solar scheme incentives. The solar industry needs to be boosted if we are to reduce greenhouse gas emissions and care for our environment. This proposal will provide huge incentive to homeowners to modify their houses accordingly to benefit from the sun's energy and in turn help boost the solar industry in Australia.

Yours sincerely

Dr Sarah Leitch
& James Leitch

As a caveat: You probably ask why did we install solar panels if we knew that the feed-in-tariff system was a complete rip off? During the sale and cooling off period we sought to understand the net metering system. It was explained to us by both sales (installer) and energy retailer that the net excess we put out into the system is a 'credit' which, when we draw back on from the grid, is a direct 1-for-1 exchange. For example, if we put 1 kW into the grid after our net use during daylight hours, then we would be able to draw back on that 1 kW without being charged, a direct 1 for 1. Seemed perfectly logical! We intend to pursue this matter with the relevant companies and, if needed, the ACCC.