

23 January 2012

Mr James Cox
Acting Chairman
Solar Feed-in Tariffs
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230

ipart@ipart.nsw.gov.au

Dear Mr Cox

Subject: Submission to IPART on Solar Feed-in Tariff Energy Draft Report November 2011

Thank you for the opportunity to submit comments on the *Solar Feed-in Tariff Energy Draft Report* for consideration by IPART as part of the review of the NSW feed-in tariff (FiT).

Lake Macquarie City Council officers provide the following specific comments on the Draft Report:

- 1) Financial gain is the most appropriate method for calculating retailer benefit and this approach is supporting by Council. However, it is important to note this only captures the retailers benefit and not the whole benefits to the network. Avoided costs of raising capital at market rates to invest in new generating plant should be part of such broader consideration, as should avoided capital and operational transmission costs.
- 2) Council is concerned that a benchmark approach would be ineffective, due to absent or ineffective retailer competition in regional NSW. Without strong competition, retailers will not have a compelling business case to offer a competitive FiT, with the result that solar photovoltaic (PV) customers will not receive a fair and reasonable price for electricity exported to the grid.
- 3) The FiT should be offered to all electricity customers, both business and residential. If the rate were fair and reasonable, there would be no difference between business and residential sites. Extending the FiT to business customers would unlock the huge resource of commercial roof space in NSW. The FiT should be for all solar PV customers not covered by the NSW Solar Bonus Scheme, then extend to all solar PV customers automatically when that scheme concludes.

- 4) Council agrees with the recommendation, "...that the National Electricity Rules and the framework governing the economic regulation of electricity networks be reviewed to ensure small-scale renewable generation is appropriately incorporated into the policy and regulatory framework and that appropriate benefits (and cost) attributable to PV units can be directly to PV customers"¹

If you would like to further discuss any aspect of this submission, please contact Council's Senior Sustainable Living Officer James Giblin on 4921 0110 or email; jgiblin@lakemac.nsw.gov.au.

Yours sincerely,

A handwritten signature in blue ink that reads "Alice". The signature is written in a cursive style with a long, thin tail extending downwards.

Dr Alice Howe
Manager Sustainability

¹ *Solar feed-in tariffs - Setting a fair and reasonable value for electricity generated by small-scale solar PV units in NSW – Energy – Draft Report, November 2011, p61.*