

To: IPART

3<sup>rd</sup> August 2009

*5.1.1*

*(15) Should IPART continue to subject Country Energy to an additional condition such that if it seeks to remove a regulated tariff and transfer customers from that tariff to another tariff, it must obtain IPART's prior approval if the price applying to the two tariffs is not the same? If not, Why not?*

Let's have a look at the bigger picture here. CE has a lot of medium businesses with exceptionally poor Power Factor (Lower than 0.85 lagging). CE has consistently ignored the enforcement of the NSW Service & Installation rule 1.10.11. By leaving these sites with low power factor they are not encouraging these customers to reduce their energy consumption or their efficiency. In the majority of cases these customers are emitting hundreds of tonnes CO<sub>2</sub> extra into the atmosphere, which if best practice was enforced, this would not occur.

CE has been leaving these types of customers on Kwh accounts and not moving them to demand accounts. I have been told this would have detrimental effects on these businesses. CE has actually been active in taking customers from demand accounts and transferring them back to Kwh accounts. This does save the customer money, but I believe this is not in the best interest of the NSW electricity market. These customers should be made to rectify their low power factor and thus reduce wastage. We have ads on TV telling the public to turn off laptops and save 0.5kg of carbon emissions from going into the atmosphere. They would be horrified to see what goes on in the real world of wasted energy.

I propose that these customers be made to move to demand tariffs over a period of time (possibly 5 years). I believe funding should become available for the installation of PFC equipment and have a phased in rate change over a predetermined period. This will give certainty to existing customers with low PF and a time frame to work too, to improve the efficiency at their sites. At present, many of these customers live in fear of being changed to a demand tariff and the impact that these increased costs will have on their businesses.

This will have several major benefits:

- Customers will have a clear and defined time frame to minimise the impact on their businesses and budgets.
- Country Energy will be able to abolish obsolete tariffs in favor of more relevant tariffs.
- Improved power factor will help reduce the demand on Country Energy's system and the NSW electricity grid.
- Improved Power Factor will help reduce green house gas emissions
- Government funding could be channeled into an area where CO2 reduction/\$ spent can be calculated.

At present these customers are in limbo and are aware that their billing structure may change in the future. Now is the time to bring certainty to these customers and reduce the extra demand these businesses place on the system.

Kind regards

*David J Anderson*

David J Anderson



EcoSmartElectricians  
Connecting you to a more sustainable future

Energy Management Solutions Australia

PO Box 45, FORSTER, NSW 2428 – ABN 44131183054 –ACN 131 183 054 Phone: David 0412 654060 / Roy 0401 279008



green building council australia