

Sent: Thursday, 12 May 2011 11:13 AM

To: IPART Mailbox

Subject: IPART submission NSW solar electricity prices: April 2011 draft report

10 May 2011

Submission : Changes in regulated electricity prices from 1 July 2011

Solar electricity Feed -in Tariffs

Dear Sirs/Madams,

I note IPART says at the end of the 2 page Consumer Summary..

"We are concerned that these ([solar] programs interact to increase electricity prices and promote relatively high cost abatement (or reductions in greenhouse emissions). For the same amount of money, better environmental outcomes could be achieved."

My partner and I purchased and installed a 10kW domestic solar electricity system on our residence prior to October 2010. We currently sell a small quarterly surplus to the grid via Country Energy.

We made a large personal financial commitment to install this eco-friendly system, taking out personal loans at high interest rates and forgoing other opportunities to use our limited household resources, on the strength of the then-government's promises about fixed Feed-In-Tariff prices of 60c per kWh until end of 2017. If the Feed-In-Tariff changes, we will not be able to service these loans of nearly \$200/week from from the electricity production, and this will cause us far more severe hardship than ordinary consumers coping with the proposed electricity price rises.

It will be an outrage if the government attempts to retrospectively punish consumers who made good faith decisions based on a government's promise which is fixed in legislation. If the Feed-In-Tariffs are dropped, solar producers like ourselves will be bearing all the cost of the State's emission reduction !! In effect, we the tiny minority will be carbon-and-money-subsidising the vast majority, ie the rest of the State's domestic electricity users who are the more carbon-intensive emitters ! It would be an outrageous outcome, a gross deception by government and a breach of faith. Even when the government changes after an election, legislated policy and budget commitments are a contract with the public and MUST STAND. !!

If the government were to retrospectively change the Feed-In-Tariff, it would be like asking First Home Buyers to give back their grant after they had purchased their house, or like asking schools to pay for their new halls after they were built. It would absolutely be a breach of contract, not simply a broken election promise (and sorry to say, the public routinely expects the latter these days). The present government did NOT seek a mandate to take away the Feed-In-Tariff prior to election, and to take such action now and make it retrospective would indeed be the height of arrogance and deceit.

We submit to IPART, that notwithstanding the recognised need to cap the current scheme, and (as referred to in the quote above), the need to ensure future spending is directed to the most efficient uses, it will be an unconscionable act for the government to withdraw the present Feed-In-Tariff arrangements for consumers who were contracted prior to October 2010.

We believe the principle of not penalising the public for making good faith decisions based on legislated government promises should be inviolate.

Yours sincerely

Alex Jay & Elisabeth Douglas