

To
Essential Services Commission
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From.
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Proposed Retailer Solar Feed-in Tariff – 2015-16

Newspaper articles promoting the installation of Solar Panels have kept saying Energy costs are rising and will continue to increase in the future. Time has proven this to be true.

The State Government promoted clean Energy for South Australia, & announced incentives of 44c/kWh for excess Energy fed back to the grid, to promote solar uptake by private installers. That incentive amount has been progressively wound back for newer Solar Panel installations. Enquiries (by myself in 2009) indicated Energy feed-in rates by Energy Billing Companies (on top of the Government incentives) varied from 20c/kWh down to 6c/kWh.

Solar Panels do reduce Energy bills by the amount of power that is consumed by the purchaser. However, it is not until excess Energy is fed back into the grid that any payment is paid back to the owner by a deduction on their bills.

Eventually it is hoped that these payments will cover their solar installation & maintenance costs.

Solar Panels defer upgrading of existing Generation, Transmission & Distribution plant & infrastructure. The uptake of Solar Panels has deferred the installation of new Generation plant required in this State &/or Interstate. Also additional or upgrading High Voltage Transmission lines.

I strongly object to any reduction in the feed-in tariff that is paid by Energy Billing Companies for excess Energy supplied by Solar Panels.

Energy Billing Companies purchase solar produced Energy at a very low rate (now proposed to be reduced again to a min of 5.3c/kWh.).

They then charge a premium to on sell & promote Solar Power as Renewable Clean Energy.

This suits the State Government who like to promote our State as green with Renewable Energy.

The Solar Energy installation & production costs are nil for Energy Billing Companies. No payments required for: - Fuel, Generation, Transformation, Transmission, Distribution, Infrastructure & the maintenance required on that plant. No climate changing gas pollution from the power produced. Losses are reduced, because the Solar Panel power reduces the total supply system load.

Customer demand is reduced with excess solar power distributed into the adjacent local load area, usually at times of most need. No losses are incurred for: - step up Transformers to High Voltage Transmission, over long distances from the Northern Power Station, or Interstate from Victoria &/or New South Wales & step down Transformers for distribution to supply customers.

Energy supplied by solar actually defers the upgrade of existing plant, &/or new plant installation for base load Generators, &/or Peak Load Generators, with their inherent higher running cost.

The Solar produced Energy reduces increased cost of payments by Billing Companies that all other Energy supply, Transmission & Distribution Companies justify & claim for their system upgrades. This includes wind power with its higher infrastructure, grid connection costs & Transmission losses. None of which apply to Solar, that's supplied at 240 volt directly into the adjacent load area.

Billing Companies do need to record another figure from the meter. New meters paid for by the customer, when the Solar Panels are installed; only require the push of a button.

How do Billing Companies justify their low feed-back price with actual reduced supply costs when they continue to increase their charges for clean Energy? There are considerably less associated supply charges from other Generation, Distribution, Infrastructure & Maintenance Companies in the existing Transmission & Distribution supply chain of Energy to their customers.

I understand the existing supply Companies, obtain increase Generation payments for plant in service, to match the higher costs of additional Generation plant when it's connected onto the system.

Why is this necessary, can it be truly justified when their plant operation costs have not changed?

It just adds to a massive profit increase for system supply main load Generators, further increasing customer dissatisfaction with increasing supply charges. Hence extra GST to Government.

It could lead to companies removing efficient plant from service, to gain an increase in operating payments for their remaining plant, to match the less efficient plant required to then take up supply.

Why can't the solar generators gain these same payments at times of high system demand?

Solar Panels are really deferring operation or eliminating starting higher cost Peak Load Generation. Deferment of new plant improves the Billing Company profits as Solar cost them nothing to install, but does defer operation of less efficient plant that is being run at a loss to maintain supply.

Why are there so many Billing Companies (around 10) involved in the supply system?

All with high paid CEO's, extra staff, buildings, vehicles, promotional staff, advertising, home & shopping centre salespersons, competing for our supply charges.

Leading to many complaints for false representation being referred onto the Ombudsman.

The Billing Companies all obtain their power from the same Generation, Transmission & Distribution Companies, where is their competition?

However, the greater number of Billing Companies the greater increase in costs due to additional duplication of all infrastructure, extra staff for promotion & churning of accounts between them.

The E.T.S.A. Generated Power, Supplied & Billed the whole State, giving better service for less.

No big profits were sent over-seas to the company owners. However the State Government required payments back from Energy suppliers in this State, they still require payments.

Government should not be increasing essential service charges to fund their over spent budgets.

GST should never be added to any other Government payments, it is double dipping, both help make our Energy costs dearer than other States. It doesn't help SA Business or the residents.

I support our States push for renewable, so called Clean Green Energy.

However, Energy Supply Companies keep using ways of increasing profits at the customer's expense.

With an interconnected grid why should South Australia's Energy costs be higher than Interstate?

The Interconnection was made originally for the transfer of opportune power between South Australia & Victoria. Mainly because the Portland Aluminium Smelter Plant was deferred, the increased capacity of the Victorian Generation system was an advantage to SA.

The Interconnection has proven at times to be to South Australia's detriment because the new operating rules are now guaranteed to benefit the Operating Companies, who cannot lose.

The more money they spend on the system the more they can claim, at the expense of customers.

It is now controlled from Interstate & any upgrades must be approved from Interstate which are not necessarily all to South Australia's benefit.

Yours Sincerely



I. R. Bannon.