
From:
Sent: Friday, 26 July 2013 10:24 PM
To: ESCOSA:Essential Services Commission of South Australia
Cc:
Subject: Nathan Petrus

Review of the Solar Feed-in Tariff Premium - Issues Paper
Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001

Att: Nathan Petrus
26th July 2013

Dear Nathan

I write in regard to the review of the solar feed in tariff premium.

What is the aim of the current government in relation to green energy, what is the 2020 target all about?

I am a local installer in Regional South Australia (Riverland). We have around 1000 clients who have invested money in solar PV to accommodate the rising electricity prices. Investing in technology which, supposedly is to help Australia reach its 2020 target for clean energy. As an installer and small business owner it is my understanding that ESCOSA are there to regulate the premium feed in tariff, they are there for the power of the people who have invested, so cooperate giants (retailers) cannot dictate the market with their mass. It is of my belief that if the FIT is unregulated that the retailers like we have seen in other states of Australia will, remove the FIT completely.

So what happens next...

I do not envy the people and the decisions that need to be made in these circumstances. Of course the retailers want to review the price of the FIT, as they believe compared to most markets they are paying an inflated price for energy. It seems like a numbers game for ESCOSA (a hard situation to be in) if the FIT is deregulated, then the 1 million customers who have invested in solar will be complaining, but I suppose that is better than the other 16 million (rest of Australia's population) who are complaining about the rising energy prices.

So lets look at both scenarios....

If ESCOSA deregulates the FIT premium, the retailers, will immediately cut the FIT to any solar customers, because what is the customer going to do....they are powerless. For the retailers this will be a great outcome, as they now do not have to pay out an inflated price for electricity at all yet before our very eyes and over the last 24 months we have seen prices rise in electricity like never before, everyone is talking about it. Oh....but that's right, now that the FIT is deregulated, we should see a drop in the retailer price of power for customers, since the outgoings to the retailers have been reduced, but it not no.....they won't reduce prices, customers will just need to call up the retailers and ask for a discount to reduce their energy prices. Another good win for the retailer, that might just slip past an unknowing customer.....

If ESCOSA does regulate the power price, then all of the 1 million solar customers are going to be happy as their return on their investments, will be true to what they have been sold by the salesman. Yes this is a bad outcome for the retailer, as they will still be paying (so they say) an inflated wholesale market price impacting their bottom line. They will also need to continue to deal with the 16 million customers complaining about the ever rising electricity prices.

Is there a solution....

There is always a solution, but consider the impact the decision has on the number of people it will effect.

I think a better more financially viable outcome for Australia as a whole would be to see all solar customers on a gross metering arrangement.

For example if a house consumes 25kw of electricity over a 24 hours period and the same house generates 25kw from it solar system over a 24 hour period then the customers electricity account will be null.

ESCOSA should Establish with the retailers an appropriate quarterly charge rate to cover "network charges", which would be passed onto the customer and could be used to develop and maintain infrastructure on the network.

This would help retailers, establish the true costs and their budget as to what they could develop and repair on the network.

Everybody is talking about how high the electricity prices are, and how expensive things are becoming, so why not reward the customers who are prepared to invest and stimulate business and create jobs for young australians, rather than take it away.

Unfortunately in this situation no matter what you do someone is going to loose out, so why not put some more thought into a more refined system that will benefit everyone.

I look forward to hearing back from you and assisting with input to help solve this problem.

Thanks and Regards,

From:
Sent: Friday, 26 July 2013 11:05 PM
To: ESCOSA:Essential Services Commission of South Australia
Cc:
Subject: Nathan Petrus

Review of the Solar Feed-in Tariff Premium - Issues Paper
Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001

Att: Nathan Petrus

Further to my email, some key points to consider.

Deregulate FIT

- Fit will be removed by Electricity retailers in South Australia
- Customers disadvantaged financially as ROI is increased in time due to no FIT
- Power prices will remain at current levels
- Discounts will be offered by electricity retailers to customers willing to ask
- Retailers bottom line increases.
- Customers struggle, retailers dominate
- Viability of solar is reduced, customers consumption reduces, businesses close, jobs are lost
- Battery technology becomes viable, jobs are created, customers invest more to become electrically self sufficient

Regulate

- FIT remains for customers
- Customers advantaged as FIT is paid and ROI remains as informed
- Power prices will continue to rise
- Retailers pass on their outgoing cost of inflated FIT through increasing power prices to all customers
- Discounts will remain for all customers only when retailer asked by customer.
- Customers continue to purchase solar systems, due to rising power prices
- Customers dominate, retailers struggle (with bottom line)
- Viability of solar remains, customer purchasing remains steady, businesses continue, jobs are maintained for young australians
- Battery technology installation levels remains steady for appropriate customers
- 2020 clean energy target remains on track

Conclusion

It all comes down the the bottom line of the retailers business.

Why would the retailers want to pay a wholesale price FIT of 9.8 cents for power when they can buy the same wholesale power for 4.8 cents? It simple.

The retailers want to deregulate the FIT as it is impacting their bottoms line, they have however have slowly and sneakily increased the prices of power over the last 24 months to offset this inflated FIT.

Deregulating the FIT will be a win for the retailer and a loss for the customers with solar.

What would I know though, I'm just an electrician.

Thanks and Regards,

Deregulate FIT, FIT vanishes from all retailers and the pockets get bigger, consumers ROI becomes longer, Power prices remain the same unless the retailer is asked for a discount by customer.

Regulate FIT – Retailers bottom line get smaller, Customers satisfied with ROI.