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

TINDO BACKGROUND

Tindo Pty Ltd (Tindo) is an advanced manufacturer of premium photovoltaic solar panels based in Technology Park, Mawson Lakes in South Australia.

Tindo is South Australian owned and South Australian manufactured by South Australian workers.

Tindo's market is in the manufacture and installation of solar systems on homes and businesses and its biggest market is in South Australia.

Our name, Tindo, means sun and is a word from the Kurna Warra Aboriginal language of the peoples indigenous to the Adelaide plains on which our solar panel manufacturing plant is located.

TINDO'S RESPONSE

Tindo Solar calls on ESCOSA to continue to offer protection for solar consumers.

We cannot allow retailers to set their own FiT.

It should not be forgotten that the FiT was regulated not that long ago in response to the actions of the majority of electricity retailers who were not offering any FiT whatsoever. At that time, this market failure was referred to in the media as "The Big Solar Rip Off".

Solar consumers don't trust the big energy retailers to pay a fair price for exported electricity and retailers have a proven track record demonstrating they cannot be trusted to pay consumers a fair FiT.

Deregulation of the solar FiT in NSW has failed.

During the deregulation of the NSW FiT, the Independent Pricing and Regulator Tribunal (IPART) in NSW determined the fair and reasonable FiT rate that offers financial gain to standard electricity retailers to be in the range of 7.7 – 12.9c/kWh.

To the detriment of NSW consumers, as of June 2013, eight out of the 14 retailers in NSW were paying a ZERO FiT rate for solar. They effectively are stealing solar electricity from homes and businesses.

50% of the industry ripping off solar customers is a live example of a serious market failure.

We cannot let this happen in South Australia.

Solar energy has saved South Australian households and small businesses millions of dollar whilst the tier one energy retailers continue to make billions of dollars in profit with 2013 being no exception.

Paying a regulated minimum FiT does not impose a cost or loss to straight energy retailers. Retailers buy solar energy via the FiT at less than 10c/kWh and sell it for 30 – 35c/kWh. There is more than enough margin there to cover network charges and to make a guaranteed profit along the way.

There may be an opportunity cost to large Gentailers (combined generators and retailers such as Origin, AGL, Alinta etc...) as they lose the opportunity (on the comparatively small proportion of exported solar electricity they are required to purchase) to sell electricity from their own established predominantly fossil fuelled power stations.

Administration costs of the solar FiT is negligible as modern computer billing software used by retailers have appropriate systems automation.

The FiT needs to be renamed a minimum FiT - not a FiT Premium

The current FiT is not a "premium". ESCOSA determined a fair price for the FiT – not a "premium" price. It is a minimum FiT and was in response to the previous market failure to ensure that solar powered homes and businesses received a fair price for their exported solar electricity.

An updated calculation of a fair minimum FiT price needs to take into account avoided network costs such as distribution and transmission of electricity along with avoided generation costs. It also needs to be generator agnostic to allow for other renewable energy generators and storage devices.

Retailers should not be paying network charges to SA Power Networks for decentralized solar electricity at the same rate as electricity that is sourced from large centralized power stations. Exported electricity from a solar system only travels meters in the electricity network when it is fed back into the grid whereas centralized generated electricity needs to travel hundreds of kilometers from the source to the load. This massively reduced reliance on the network needs to be proportionally reflected in the fair price retailers are required to pay for exported solar electricity.

The way electricity is generated and distributed is set to rapidly change during the next decade. Governments and regulators are going to face massive lobbying and pressure from the traditional energy companies as they try to resist markets changing from a centralized network to a highly distributed model taking into account all sorts of energy sources and storage combinations.

We strongly believe it will be advantageous for ESCOSA to keep control of the solar FiT regulation to maintain control, flexibility and fairness, and to ensure maximum value for all South Australians well into the future.

Yours sincerely



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