

23 September 2011

Dr Patrick Walsh
Chair
Essential Services Commission of SA
GPO Box 2605
Adelaide SA 5001

Via email to: escosa@escosa.sa.gov.au

Dear Dr Walsh

Determination of Solar Feed-In Tariff Premium Issues Paper

COTA SA welcomes the opportunity to provide comment on the Determination of Solar Feed-In Tariff Issues Paper.

As the peak organisation for seniors in South Australia, COTA's main concern regarding electricity is its affordability for older people, particularly those on low incomes or who are required to consume more to meet health and wellbeing needs. Recent price rises have seen both fixed and consumption costs for electricity rise significantly – most recently by over 17% in August 2011.

Electricity price rises affect older people disproportionately as many older people already restrict their use of energy for financial reasons and price rises force them to use less to maintain a level of affordability. By using less electricity, particularly during hot or cold periods, older people can suffer serious immediate and ongoing health impacts. For this reason COTA does not want to see further increases that can neither be justified nor applied equitably.

In regard to solar PV feed in tariffs (FITs), COTA is concerned that the right balance be reached between compensation for those who invest in rooftop solar PV systems and the cost impacts on other energy customers. Current arrangements do not achieve this balance. Customers, including pensioners and others on low incomes, who do not have access to solar PV systems subsidise those who do have access.

COTA considers it unreasonable to expect customers who cannot afford solar PV systems to subsidise the mandatory distributor-based feed-in tariff and subsequently miss out on the potential benefits to retailers. It is therefore particularly important that the principle of equity be applied to ensure any potential cost increases or savings to electricity retailers are justifiable and equitably applied to the customer base.

In general COTA is supportive of the current work of ESCOSA and looks forward to further participation in the consultation process following the release of the Draft Report in November. Should you have any questions regarding this brief submission, please contact Tom Stead, Senior Policy Adviser, on 8224 5515 or email tstead@cotasa.org.au.

Yours sincerely

A handwritten signature in black ink, appearing to be 'I. Yates', written over a faint, large, light-colored scribble or watermark.

Ian Yates AM
Chief Executive