
From: T [redacted] miles [redacted]
Sent: Thursday, 20 December 2012 11:28 PM
To: General Electricity Address
Subject: Response to QCA Draft Report on Estimating a fair and reasonable solar FiT for QLD

Dear QCA,

I would like to make a submission in regard to your draft report on "Estimating a Fair and Reasonable Solar Feed-in Tariff for Queensland".

I agree with most of what is in the report but I would like to comment on Chapter 6 "Equitably sharing the on-going costs of the solar bonus scheme".

There is another QCA consultation/report being done at the moment on changing the way the tariffs are structured so that they are more cost reflective of both the fixed and variable portions that make up the final charges. The outcome from this seems to be that the fixed portion for T11 will change from 26c/day to 78c/day (or numbers of that order). This would be for all users of the power network regardless of whether they have solar PV or not. I understand the aim of this is to more accurately reflect the underlying cost structures of the network.

I don't believe it would be fair to increase network prices separately/differently for PV customers. It is erroneous to suggest that PV owners "avoid" the charges. The fixed charges (ie. daily usage charge) appears on their bill and they are charged for it. If they export enough power back to the grid then they might have enough credit from their retailer to cover some or all of the fixed charges. Increasing the fixed charges would be highly contentious, as to be fair in any kind of way it would probably need to be a stepped amount based on the size of the PV installation. A PV owner with a 1.5kW system is likely not exporting enough at 44c/kWh to cover all of their bill and might still be paying a reasonable portion of the fixed charges. Depending on the energy consumption of a household with a 5kW system they also may or may not be getting a bill that is in credit. There is not a "one size fits all" solution and so any methodology to impose such an increase on PV owners would be unfair to some portion of the people all the time. You might even get to the absurd situation where people with small 1.5kW systems elect to disconnect them as it is costing them more money to be classed as a PV customer and getting slugged with higher network charges.

I do believe that a mandatory contribution to the cost of the FIT scheme by retailers should be seriously considered. This seems to be an easy way to address some of the issue and will reduce the cost of the scheme to all consumers by 13%. The retailers will grumble about it, but the fact that they are giving "FIT bonuses" of top of the 44c suggests that they certainly attribute this value to having a PV customer and so it would simply transfer the extra 6c from the PV owner (as a bonus FIT credit) back towards paying for the scheme.

I think it is also worth noting at this stage that the carbon tax will add more to the average individuals power bill every year than the QCA estimated impact of the Solar Bonus Scheme will in it's mostly costly year (2015/16). The QCA estimates that in 2015/16 the Scheme will add \$120 to T11 bills (or only \$104 with the mandatory retailer contribution option). The QLD government website suggests that the carbon tax will add about 2.4c/kWh to a T11 bill. Based on the average usage of 6500kWh per year this works out at \$156 PA for the carbon tax on the average bill. The carbon tax will be an ongoing impost on bills whereas the Scheme impact will be high for a couple of years and then taper off. To make special tariffs for PV customers to affectively allow for just the 2-3 years when bills will increase by a large amount to allow Energex for under-recovery of previous payments would seem rather short sighted.

PV owners should not be made to pay for doing what the government scheme was aimed at, to kick start the uptake of solar PV. The scheme worked and worked well. It is not the fault of the participants that the government was caught napping at the wheel and in the midst of an election cycle and so the FIT payments were not scaled back as quickly as they probably should have been. There was evidence from the other states that should have prompted the government to review it sooner and QLD was one of the last states to act on reducing FiT rates. People have made investment decisions based on what was in place at the time and should not be punished as a result of this.

In summary I would strongly support the notion that retailers should make a mandatory contribution to the Scheme but that to try and create different tariff structures for PV owners would be manifestly unfair and punish existing PV owners for their decision to try and invest in renewable energy supply at a personal level.

regards,

T Miles

