

Minimum feed-in tariff review 2021-22

Submission received through Engage Victoria

Date submitted: 5 January 2021

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From 17 November 2020, we began accepting submissions on our Minimum feed-in tariff review 2021-22 via Engage Victoria (www.engage.vic.gov.au). On this website, people were given the opportunity to send us a response to a set of questions we provided.

Your comments on this draft decision:

Submission received through Engage Victoria

Problems with the Minimum Electricity Feed-In Tariff (FIT) Draft Decision and related issues.

On the 3/12/20 the ESC held a public forum, via the Zoom software platform. The subject was the ESC's proposed changes to the solar Feed In Tariff (FIT), among others, in its draft recommendations. This letter is intended to document the concerns raised, the information offered and finally, share some observations and related questions. These remarks are in regard to both the draft proposal and my experience with the ESC, at the forum, and in general. I have previously corresponded with the ESC, advising it of many problems in a system they play a significant part in influencing. Most of those concerns were not mentioned at the ESC forum, despite previous assurances, that they would be submitted for consideration.

The ESC is the organisation the general public is expected to deal with, in regard to essential services. Any problem that is systemic should also concern the ESC, if sincere in their stated objectives for a fair electricity system. If the ESC regard a serious problem as "outside our legislative framework" I think it is reasonable to expect that they will act in the public interest at all times and try to deal with any inter-agency road blocks, if and when they arise. The modularity of both the industry and the government agencies that are setting the rules, can not and should not be used as an excuse for inaction.

1. The software used for the ESC Forum meeting was problematic, slowing communication and dialogue. Perhaps it was the best available. However, the choice of messaging app, Slido, recommended for prepared questions, was severely limited in the number of words it allowed, which made things unnecessarily difficult. I found an alternative to having prepared questions restricted but many would have simply given up. As this software was also employed for questions submitted earlier, to be addressed during the time of the forum, many people who took the time to clearly articulate prepared questions would have had them rejected by the overly aggressive word-count limitation. The ESC admit fault here but the result non-the-less is a stifling of public commentary.

2. The ESC Forum meeting I attended, at 6pm, finished before the scheduled close. I was given the opportunity to speak freely, but my time was limited, and questions were not addressed to my satisfaction. Although the participants from the ESC were polite and respectful, the answers I received either demonstrated a naivety to solar customers' reasonable expectations of fairness, or a calculated bluff to simply give the impression the ESC were concerned with the public's view, while unwilling to make changes to reflect this. I have been advised by others who had attended the earlier meeting that the general consensus is the later; the forum was simply a formality and that the decision to lower the FIT had already been made and finalised. One of the ESC representatives, was asked the question: "will the public forum make any difference if the FIT is determined primarily by wholesale prices?" This was answered obtusely; we were informed that the wholesale price would be examined again in early January 2021. This appeared to be an attempt to hide the facts, but only served to confirm the questioner's suspicion. Conversely, when the Chairperson summed up the forum, she said all public comments would be considered in the draft proposal. One can only conclude that the ESC aims to give the impression that the public's opinion is influential, yet will not be a factor in the final draft proposal regarding the FIT.

3. I was the only member representing solar customers at the second meeting. I was also advised that only a small number attended the first. This poor attendance should however *not* be regarded as a lack of interest or opposition to the ESC's draft proposal. I have spoken to many people since. Not one of them knew of the forums, but all were opposed to the reduction of the FIT and would have preferred to have had the opportunity to voice their concerns. It was poorly advertised, which is inappropriate considering the importance of the issue; many people have invested thousands of dollars in solar systems to alleviate excessive electricity pricing and "energy poverty", only to have their efforts continually undermined and devalued by ESC decisions. It should be noted that during the forums, aside from a couple of obvious "Dorothy Dixers", *all* public messages and commentary were extremely negative regarding the ESC's decision to lower the FIT. *The response could not have been more unanimous.* Therefore, if the public's voice counts, the conclusion can only be that the ESC is making a mistake by proposing a lowering of the FIT and the draft decision needs to be withdrawn or modified.

4. The ESC's website states "You can find and switch to a cheaper energy deal using Victorian Energy Compare". The ESC needs to be much more responsible and accurate with its web page slogans and media releases. Retailers do not compete, they collude. Any cursory examination and calculations entered into the Victorian Energy Compare website clarify this. Of the 5 top offers I recently compared, all with varying FITs, daily supply and per kWh charges, the variation in my costs was in the order of 20 to 40 dollars *per year*.

5. The ESC had, prior to the forum, informed me that issues raised with them via numerous letters and emails would be considered when making draft recommendations. I was therefore disappointed that, during the forum, the ESC representatives appeared to know nothing about the issues raised in my prior correspondences and behaved as if many of the matters brought up had never occurred to them. It needs to also be pointed out that the ESC has often evaded questions in their written replies and sometimes avoided answering queries at all until prodded by the Ombudsman, this is on record. How can the general public be expected to have confidence and trust in the ESC's process when this is occurring?

6. The FIT should be part of the contract as far as solar customers are concerned. This is an entirely reasonable expectation. The Victorian Energy Compare website calculates all electricity deals with the inclusion of the FIT. The FIT is clearly identified as part of the "deal". The proposal by the ESC to allow retailers to give 5 days' notice of a FIT change, regardless of the contract period is completely counter to the concept of price certainty and changes the deal presented on the VEC website. The ESC's legislation makes no sense and completely contradicts the pricing stability that it claims to support.

7. The ESC aggressively publicises that it has enhanced contract stability for electricity customers. The following quote summarises the ESC rule change in its last draft decision: "For customers on fixed-price period contracts they will only experience price increases on the anniversary of their initial fixed-price period expiring. For many customers, price increases may happen on a set date one month after network tariff prices change". This effectively renders the VEC website virtually useless, as most deals signed up for today can be completely revised within a month, or less, of being finalised. 12 month contracts are rare. The FIT can, in any case, be freely changed with 5 days notice, provided it does not fall below the minimum set by the ESC. The price stability as advertised isn't really happening. Here is a quote from Dodo Energy's current (Dec 2020) offer: "We may vary your rates and charges by providing you notice of any changes at least 5 business days before the change is effective, usually January of any year, and in any event no later than your next bill such as for tariff reassignments". Power Club offers this: "We will give you notice of any change to your tariff and prices. Notice will be given as soon as practicable, but no later than your next bill. This notice may be by a message on your bill". A quick look at the VEC website recently revealed several rule breaches and generally deceptive contract arrangements: Tango Energy show in their summary column that customers can expect 12 months of a 10.2c FIT but the detail in the left hand column makes clear the FIT can be changed during the contract period. Dodo Energy punish solar customers by charging more for their power than non-solar customers, completely contradicting the ESC Chairperson's comments at the forum. John Hamill, (of the ESC), in a statement praising increased government funding said "It will also allow us to exercise broad new investigation, information gathering and enforcement powers to take action when energy companies break the energy rules". The ESC clearly allow retailers to ignore the same rules its website "value signals" have been implemented to serve the interests of the public. I uncovered these transgressions with a easy 5 minute search. What incentives (fines, withdrawal of licensees, refunds to customers etc) do the ESC have in place and implement and why do they not actively monitor compliance?

8. The 10% price drop in the VDO *predicted* to happen in the future, brought up by an ESC forum person as a defence against ever increasing electricity pricing is simply irrelevant and totally out of touch. Most people are on market offers that are far below the VDO. My current deal (20.9c KwH) is nearly 33% below the VDO (29c KwH) for my area. The ESC's claim in its draft proposal that: "the objective of the VDO is to provide a simple, trusted and reasonably priced electricity option that safeguards consumers unable or unwilling to engage in the electricity retail market" is false. If I were automatically put on a VDO due to not actively seeking a deal at my contracts conclusion, my retailer would effectively be doing the very thing the ESC claims it is trying to prevent. My costs would increase substantially. A 10% drop in the VDO, therefore, makes no difference to my current deal. The proposed 7.1c FIT will mean my electricity charges have, since the beginning of 2020 to mid-2021 risen 200%. Considering that I annually export almost twice as much energy as I use, I think any fair minded person would find this unacceptable. I believe my situation is far from unique; many households with 5Kw systems would find themselves in the same, or a worse, situation.

9. The reductions of the FIT from 12c to 10.2 and now to 7.1 do not remotely correlate with retail charges. The reason for this is "hedging" arrangements I am told. The lowering of the FIT, as it is based on lower wholesale prices, should mean a corresponding drop in retail prices, but that hasn't happened. The FIT has previously been reduced from 12 to 10.2c while retail prices went up. The ESC's current arrangement results in an ever-widening gulf between retail prices and the FIT. The ESC acknowledges this. The ESC needs to address this problem by adjusting the FIT to enhance the fairness of our electricity system.

10. The ESC prioritises profit stability for retailers, whose margins have increased substantially in recent years, over price stability for consumers. Profit margins of 13% have been reported by the Grattan Institute. Pre-privatisation, the SEC deemed 6% profit to be fair and reasonable. This is clearly and demonstrably against the public interest, contradicting the ESC's web page mission statement while illuminating blatant profiteering by retailers. While this is the case, retailers are free to socialise debts that include "customer acquisition and retention" or, in other words, costs associated with convincing people to change retailer or off-setting costs to keep customers. There are currently 25 retailers, all supposedly competing for the same customers. Therefore one must assume this cost is substantial. Anybody seeking a contract via the VEC website will likely only consider the 10 best offers, the remaining 15 are not alternative deals suitable for unusual or unique circumstances, they are simply excessively expensive. The 25 retailer arrangement has, instead of promoting fierce competition, led to lack-lustre, unimaginative businesses who feel "entitled" the the public's money. Perhaps true competition and good service could be achieved with 10 viable retailers, who could provide fair deals, including a higher FIT, while maintaining a healthy profit. I make this suggestion because the current arrangement is simply not working to serve the public.

11. The “gold plated poles and wires” argument, that has often been used to justify high electricity prices, is very misleading. This insults the intelligence of consumers. Old archaic infrastructure prevents power producers taking full advantage of the high uptake in home solar. Transformers are old and incapable of functioning efficiently with new solar systems, transmission losses from filthy power stations and inadequate facilities for grid-based battery storage are costs that get past onto to consumers, instead of the companies responsible. There is no easy provision for peer to peer systems. I have been advised there is now a growing concern that the continued lowering of the FIT is a ploy to encourage people to buy batteries, effectively providing infrastructure that power providers should be investing in. This allows large energy providers, such as United Energy, to avoid share-holder dissatisfaction generated by high investment costs in infrastructure, possibly resulting in lower share prices.

12. The economic case for batteries currently doesn't add up for consumers. Choice magazine tested 20 batteries recently and all but 6 were trouble free. The lithium batteries made by the established brands are unlikely to last for their full warranty period. This is according to solar experts, who install battery systems and monitor their usage. Battery systems range in price from \$15,000 to \$30,000. There is no government support for solar customers who have taken advantage of previous solar incentives. There *are* worthwhile systems available, but the cost is high, \$40,000 and more, for a reliable system that will be of useful service for decades. This situation may change but my summary is accurate by today's conditions. None-the-less the idea of going “off grid” is appealing for some, such is the deep dissatisfaction with the Victorian energy system. One of the participants in the 12 o'clock forum asked the question: “Can the ESC confirm whether a customer deciding to go off grid, due to the continuing reduction of the FIT, will be penalised?” His question was ignored. I have written to the ESC with the same question and was basically told it was not the ESC's area of concern. I disagree with this as it is the ESC that is effectively encouraging people to consider such alternatives due to a continually lowering FIT along with higher retail charges. If enough people go “off grid” the current electricity system will, “go into a death spiral”, according to one of the ESC representatives at the forum. This is another reason why lowering the FIT is not in the public interest.

13. I have investigated the provisions put in place by the ESC to deal with energy customers who cannot pay their bill including the only realistic level of help; the grants scheme. People have pride, they don't like to admit failure. A great deal of misery and suffering is likely to be endured before people reach the point of applying for one of these grants. To do so requires a complete unvarnished admission of financial failure, an unwelcome coda to relentless difficulties. Another ESC initiative, to defer payment, has also resulted in questionable success: In October 2020 ABC radio reported that recently released figures had shown that measures put in place to alleviate high power prices have generally failed. Deferring payment has resulted in an average debt of \$1100 per household affected, of which there are thousands. The report featured a woman who was shocked by an unexpected power bill increase of \$900 to \$2500 for her winter bill. She cried when she saw the figure. This is the sort of deep and real unhappiness caused by the ineffective measures being taken to rein in greedy energy providers that feel "entitled" to not only their bloated profits but also to withhold price reductions as they see fit. From as early as 2015 the ABC have reported alarming increases in people who can no longer afford to heat and cool their homes. In 2018 100 doctors reported that worrying numbers of people were presenting at emergency wards, with hypothermia and heat stroke, *from their own homes*. VCOSS is also on record in 2019 revealing the misery and stress caused by high electricity pricing. Prices are now far higher. Many people have installed solar systems specifically to insure against "energy poverty" only to see their substantial investment and efforts rendered ineffective, or far less effective, by the ESC. It is not in the public interest to reduce the FIT, which negates the reasonable expectation of solar home owners to substantially lower their energy costs and avoid "energy poverty".
14. The mechanism used to determine the FIT will always be flawed if retail prices are not taken into consideration. As it stands, the ESC's methodology is completely against the free market it professes to support; more home solar uptake is a clear message to large scale providers that their product is not desired. Therefore, the price of grid purchased energy should fall sharply to reflect this. Otherwise greater solar uptake will result in a continually lowering FIT while retailers are free to raise or maintain extremely high prices, for a service many people have to use. If the ESC is genuine, in its mission statement and goals, this mechanism needs to be changed. The ESC needs to understand that the current arrangement is unreasonable and will only get worse with further solar uptake.

15. "We made changes to ensure electricity and gas contracts are clear and fair, in response to recommendations made by the independent bipartisan review of electricity and gas retail markets in 2018", according to the ESC's website. At the beginning of last year, on the VEC website, almost all retailers provided their daily supply charge, solar FIT, an "any time usage charge" and usually an option for peak/off peak power. This allowed quick easy comparisons of costs. If I do the same thing now, I am confronted with a bewildering array of methodology of costings. These include: advance payment followed by crediting where appropriate, a yearly "Club" payment with a financial strategy that needs an accountant to verify, and a deal that has 3 different rates at different times of the day and a separate set of rates for summer and winter. My previous retailer, Tango Energy, is on record for making 2 billing mistakes that if not checked by me would have resulted in the inflation of my costs by several hundred dollars. I have software which can independently measure my usage and feed in with great accuracy. Customers need to have clear, straight forward contracts and billing. Contracts have not been simplified, which the ESC acknowledged in a letter to me, yet their website simply "value signals" their changes as an achievement rather than provide clear and meaningful information. The ESC has enjoyed increased government funding this year. I think the public have a right to expect this will not be spent on deceptive advertising. No action has been taken to correct this in the current ESC draft decision.
16. The ESC has, by lowering the FIT from 12c to 7.1c, enabled and encouraged retailers to profiteer from responsible solar customers. There appear to be no accompanying rules to compel retailers to pass on lower wholesale prices. With my system, the proposed 7.1c FIT will result in a \$300 reduction in the price paid annually for my exported electricity, since January 2020. Retail prices have continued to rise. The ESC's draft proposal allows retailers to virtually steal power from me and then on-sell to its other customers at a grossly larger profit. The ESC makes this theft legal. Very little has been offered by large scale producers or retailers to justify this; infrastructure is archaic, technically inadequate and neglected, and customer service has steadily degraded. After the Black Saturday fires in 2009 a class action successfully determined that poorly maintained infrastructure resulted in the starting of 5 fires, claiming many lives and destroying property. I have paid \$10,500 for my infrastructure. It is safe, well maintained and works perfectly. It is non-polluting and will generate almost twice the electricity I use for at least the next 25 years. I am a reasonable person. I am not interested in scamming the system. I simply expect to be fairly paid for my contribution and pay a fair price for the electricity I import. The FIT has now been lowered by 5c kWh. The ESC claims it has no control over retail pricing. However, it's website claims "We determine prices for standing offers covering electricity retail services in Victoria" The Victorian Default Offer is one mechanism that could be utilised to force prices down when retailers refuse to pass on lower wholesale costs to customers or "gouge" by increasing retail margins without cause, as they have been. I believe the VDO needs to be lowered by at least 30% if the lower FIT is to be fairly implemented. The retail offers would need to drop accordingly for this to be effective. The ESC's web page's opening headline boldly states "Now more than ever it's your energy. Victoria, your power is in your hands". This is clearly "virtue signalling" at its worst. As the evidence makes clear, I am having my power stolen, and contrary to you headline, my power is in *your* hands. Will the ESC substantially lower the VDO and/or raise the FIT in order to prevent the ever-widening gap between the FIT and retail pricing?

17. At the forum an ESC representative suggested that if we wanted a full cost breakdown it could be dealt with in the Q and A session at the end. This didn't happen and costs were not fully clarified. The ESC needs to provide a complete breakdown of costs as these are very unclear to many people. For example, the Daily Supply Charge (DSC) is usually not discussed at all. Most people's understanding is that this charge is to pay for poles and wires, metering and transmission etc. and that this charge is therefore paid to the wholesaler. Yet the ESC informs that these costs are included in the retail price. There is much confusion here. The lack of pricing clarity makes it very unclear where the public's money is going and prevents informed debate. We do not want to be referred to web sites and spreadsheets, a simple cost breakdown in percentages is required. Not doing so simply "arms" large scale providers with information that the public is prevented from arguing with.
18. A decade ago, according to a St Vincent de Paul Society review on the high electricity prices due to privatisation, my electricity rates would have been 16c Kwh and 46c DSC, these rates were after a rise they considered too high. This would have resulted in a non-solar annual bill of \$757. Currently, without solar, my annual bill would be well over double this. There has been no appreciable wage increases or inflation in the last 10 years. Yet with my current solar system, and after the ESC's FIT reductions from 12c Kwh to 7.1c Kwh, I can estimate my current annual bill at about \$700. This is almost the same cost as a decade ago as you can see. The difference is I am currently importing 3.25 Mw (as opposed to 5.2 Mw a decade ago) and exporting 5.33 Mw to the grid. I have invested \$10,500 on my solar system and close to that again on roller shutters, insulation and an efficient heating/cooling system to ensure energy efficiency, to guard, at least I thought, against "energy poverty". How can the ESC claim it is "promoting the long-term interests" of Victorian electricity consumers when the substantial contribution home solar has made has not led to lower electricity prices overall or reasonable compensation for the clean, green, and cheap electricity solar systems produce?

19. There has recently been a new “justification” for not restoring the FIT to a fair level. I have heard this argument, though it barely qualifies to be described as such, by the ESC and even some politicians. It is that a higher FIT would result in costs being passed on to non-solar customers. This assumes that an attitude of “entitlement”, by retailers, is supported by the ESC and the electricity industry. I cannot see any reason why retailers ought to regard increasingly high profits as their “right”. Perhaps there ought to be fewer retailers. The argument cannot be justified that the large number of retailers’ fuel competition. This isn’t happening. Furthermore, this loose and irresponsible propaganda can potentially promote social unrest and even vandalism directed at solar homes. I live next to a vacant lot. My solar panels are exposed and could easily be smashed to pieces if the ESC and irresponsible politicians convince an already angry public that home solar is responsible for their high electricity prices. Any reasonable examination of the facts should clearly result in home solar panels making power *less* expensive for my neighbours. It is only the continued support and pandering to a corrupt system that could result in home solar raising the price of electricity for all. My contribution to the electricity system is significant, last financial year I exported over 6000 kWh of power, all clean and “green” and all with infrastructure I paid a great deal of money for. Does the ESC believe retailers are “entitled” to excessive profits in spite of contributing little to benefit our electricity system while I am paid increasingly less for a very worthwhile contribution?
20. A potential conflict of interest needs to be explored and addressed. The ESC claims it is an independent organisation but is funded by the Victorian Government. The higher the retail price, the higher the GST paid to government. I am not an opponent of fair and reasonable government charges. If the ESC responsibly makes changes to put significant downward pressure on retail electricity prices and the government needs to re-coup revenue, it can be done by levying fees on polluters and not permitting these charges to be passed on to customers. Are continuing high retail prices regarded by the ESC as important to maintain or raise, for government revenue?

21. At the conclusion of the public forum, the ESC Chairperson gave a clear summary of most of the topics raised. During this, it was suggested that if solar customers were not happy with the FIT they were paying, they could negotiate a better FIT with retailers. I put this to the test, please see below. Each of the retailers were asked: "I'd like to sign up with you but can I negotiate a better FIT?"

Retailer	Contact	Time	Date	Answer
Dodo Energy	Ren	4.30pm	10/12/20	NO
Globird Energy	Dion	3.42pm	11/12/20	NO
Ovo Energy	Ankita	3.20pm	11/12/20	NO
Tango Energy	Willow	4.53pm	11/12/20	NO
Elysian Energy	Mahan	3.10pm	11/12/20	NO
Alinta Energy	Hersay	3.15pm	11/12/20	NO

After 6 attempts I gave up trying to illicit a positive response. Relying on the goodwill of retailers to negotiate reasonable deals is ineffective. The ESC needs to understand that pretending retailers will negotiate a better FIT is deceptive and misleading.

22. The public forums of the 3/12/20 FIT review are now available on You Tube for public scrutiny. There were 2 forums, both for the same purpose but held at different times to allow people to choose one that was convenient. The forums start with some presentations by the ESC, Home Solar Program, Solar Victoria and Solar Citizens. I was surprised that, in view of the fact that there was much to disagree about among these groups, there was no informed debate. Each forum was scheduled to run for 1.5 hours, the second one was cut short by approximately 15 minutes. The published versions have been edited. I can understand this to an extent as there would otherwise be repetition of the opening presentations. There are two videos, one entitled "The Forum" and the other "Question and Answer Session". All of my live questions have been edited out. The questions were all asked politely, but appear to have been too confronting for the ESC to allow the public to see. My concerns were regarding the ill health and even death caused by excessive electricity pricing, reported by credible news organisations, and the continually widening gap between the FIT and electricity prices because of the flawed mechanism which allows this. Editing also disguised the poor attendance of the forums, especially the second, by using a background exclusively from the first. I Note that the ESC's website goes a step further in portraying the electricity market as vibrant, flexible and ready to strike a good deal. The ESC's media releases are all very positive. For example, a release that focuses on the "predicted" lowering of the VDO fails to explain that, even if there is a drop in prices, it would have been more than compensated for unexplained price rises at the beginning of 2020. The ESC is fraudulently presenting media material and "virtue signalling" on its website instead of providing balanced factual information. This deception is damaging the case for a higher FIT and lower retail prices in a way that is totally unacceptable.
23. The description by one of the ESC presenters that retail prices are "always going to be a little bit higher" would be funny if it didn't drastically underplay the current situation, in which many people are enduring financial hardship, ill health and even death as a result of the *extremely high* price of energy. The ESC have been well informed of retailers profiteering by Frontier Economics and the AER. Profits were deemed excessive and often disguised through vertical integration. Let's be clear; the retail prices are not "a little bit higher" they are about 3 to 4 times higher than the proposed 7.1c FIT and this excludes the Daily Supply Charge. How can the ESC expect to maintain any credibility when it presents views that are so clearly "out of touch" with reality?
24. During the forum an ESC representative goes to some length to clarify that: "Recovering solar investment or promoting the uptake of rooftop solar generation is not our role". Yet immediately after this presentation, Marianne Doyle, of Solar Victoria states in her presentation: "Our purpose is to enable Victorians to access affordable, reliable clean energy now and into the future". Solar Homes is a government entity launched in 2018 "with the aim to drive down household energy costs" as explained by Marianne. How can the Solar Homes and the State Government expect to meet these goals when the ESC is pursuing policies that not only take no responsibility for Solar uptake and affordability, but play an active part in destroying the previously reasonable dividends paid to rooftop solar owners for their investment?

25. During the forum, a common point of agreement between Solar Victoria and the ESC's presentation was encouraging the use of electricity when the sun is shining, or "self-use". This power is completely free to solar owners and therefore costs are reduced if power can be used at this time. Solar owners already know this. This can generally be done only when it is convenient. Since most people work during the day running appliances at this time is not possible. It is inappropriate to present this as helpful information, to offset the extremely negative effect, and reaction by the public, of the lowering of the FIT.

26. Ronald Brackels in an excellent article, from the Solar Quotes" blog, explains: "our existing environmental protection costs are levied in a dumb way, as they are applied to all metered generation regardless of how clean it is and not mainly on the energy source that causes the most harm — which is coal". The ESC needs to address this anomaly, to ensure rooftop solar providers aren't paying compensation, for a problem they did not cause. This should naturally result in a higher FIT.

27. At the ESC forum, and in a meeting with ESC representatives, it was clarified that 'human health costs' were not being included in the calculation of the FIT, *despite the ESC's obligation to do so*. The reason given is that it is too hard to calculate. This is very convenient for the ESC and retailers alike as I believe the cost to be considerable. It has been estimated that 800 people per year die in Australia as a direct result of power station pollution. According to Environment Victoria:

"Mining, transporting and burning coal is a danger to human health. Studies in the US have shown that communities close to coal mines have an increased risk for developing:

- Potentially deadly heart and lung diseases
- Lung conditions such as emphysema, chronic bronchitis and chronic asthma, which prevent breathing and cause irreversible damage
- Other lung diseases and kidney disease.

The health impacts from coal pollution are also costing local communities, with Australian Academy of Technological Sciences and Engineering finding coal is responsible for health impacts costing Australians \$2.6 billion per year."

Small scale solar providers are currently making the most significant contribution to alleviate this, and should be paid a higher FIT. Although the calculation would be difficult, and must include the mental health issues and misery that sickness causes, the ESC has had 4 years to determine a formula for calculating "human health cost" into the FIT, it is not doing it's job. Furthermore, small scale providers would reasonably expect to be back-paid once the ESC has corrected the FIT to include these costs.

My inquiries into the power industry all started in early 2020 when my then retailer, Tango Energy, informed me my annual electricity bill would be 100% higher. They refused to honestly explain why, even when asked by the Ombudsman. This prompted me to inquire more deeply into the Victorian energy market. The harder I looked the more convinced I became that the system is corrupt and broken. This needs to be exposed. I have a long clear paper trail that illustrates the false promises, hypocrisy, evasive and misleading answers offered by the ESC, retailers and politicians. The ESC plays a significant role in influencing this system in Victoria. Until the ESC properly and positively reflect the benefits and advantages of home solar uptake, both supporting the people now providing significant clean infrastructure *and* passing on savings to all electricity consumers, their stated web-page objective: "We promote the long-term interests of Victorian consumers with respect to the price, quality and reliability of essential services" will be false. Regrettably the ESC meets none of these stated objectives. "Price" fails every "pub test" and reasonable expectation. "Quality" is not filthy power stations and archaic infrastructure. "Reliability" is also inadequate; My provider, United Energy, is now cheerfully advertising that there are likely to be power cuts this summer. Without seriously addressing solar customers and the general public's concerns the ESC are punishing innocent people, and those who genuinely contribute, while rewarding private companies and their shareholders for their irresponsibility, greed and clear sense of entitlement. I do not think my situation particularly exceptional and therefore regard the ESC's comments in the forum that "some people may be negatively affected" to be misleading and manipulative. The lack of substantive action over these issues is affecting many people's lives negatively, including their mental and physical health. The ESC's draft decisions, and the rules it implements, need to address price concerns and the impact they are having on people who have invested in solar, and have sought to strike deals with retailers in an effort to offset soaring electricity prices.

Yours faithfully,

Michael Mathews