

Submission – Enquiry into true value of distributed generation to Victorian consumers

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Victorian Government Enquiry into the true value of distributed generation to Victorian Consumers

SUBMISSION from Russell Vernon Electricity Consumer using domestic solar power generation

The Enquiry will be aware of the advantages of domestic solar power generation and some disturbing facts which include:

- No carbon pollution and the consequent health and social costs of fossil fuels
- Domestic solar systems were mostly installed when the feed-in tariffs were fair ie. Similar to the charges for grid supplied electricity. Most solar systems owners feel that they were betrayed by the government in the interests of big energy suppliers.
- The reason given for the betrayal was that solar consumers were not contributing enough to the cost of providing infrastructure (the 'gold plated poles and wires'). What is ignored is that the power companies have escalated the daily supply charge to pay for the infrastructure more than the usage charges to penalise solar consumers. Also overlooked is that Solar consumers have invested substantial sums in their own rooftop infrastructure which should be at least part recovered in the feed-in tariff.
- The peak demands for electricity has been substantially reduced by the extensive generation of domestic power by solar owners. The need for the gold-plated poles and wires is no longer a believable reason to keep giving huge benefits to energy suppliers.

For your information, I have calculated what my power generation is worth.

I installed a 2.1Kwh system in mid-June 2012 at my outer suburban home. It cost \$9,142 and after rebates I paid \$6,650. Over the 3 years and 8 months it has generated 8,525 Kwh.

Extended over a 10 year period (probably the system's effective life) I expect it will produce 23,228 Kwh. The cost per Kwh is 39.35 cents on the capital cost, or, after rebates 28.6 cents. Until the end of 2016 I receive .31 cents per Kwh feed-in tariff which comprises .25 cents government and .06 cents from the retailer. This is fair and reasonable even though it doesn't cover all my real costs (maintenance, interest on capital invested etc.) At the end of the year the feed-in tariff will drop to 5 cents.

Then the retailer will be buying my power at 5 cents and retailing it to other consumers at 33 cents or higher. What a windfall for big power companies! It's even better than the cost plus 10% payments for the gold-plated poles and wires.

My submission is that the government (no matter who is in power) require energy retailers to pay a fixed percentage of their peak and off-peak tariffs.