McGuffie, Jonathan (StateGrowth)

From: camille velnaar <camillevelnaar@gmail.com>
Sent: Sunday, 5 August 2018 8:45 PM
To: solarfeedinreview (StateGrowth)
Subject: Solar Feed in Tariff review Submission

To whom it may concern,

The figures in the following submission are based on our private household budget and personal circumstances and experiences. These factors contribute to the decisions we are currently considering and provide evidence of what changes could be made to current FiT to provide incentive to install rooftop solar generation

1. What changes could be made to current Feed-in Tariff arrangements (for example, a different Feed-in Tariff rate structure) to provide incentive to install rooftop solar generation and appropriately reward consumers that have already installed rooftop solar generation?

Our household is energy conscious. For a number of years we have had electricity bills that reflect the usage of a single person household despite the fact we are a couple with two teenage children. Our daily usage averages between 8-11Kwh over the year. Our annual bill amounts to no more than $1200 p.a.

Currently we are considering a 5Kwh system with 20 panels amounting to an approximate $10 000 investment into rooftop solar generation. Usually the dialogue around these figures is in terms of how long it takes to repay the investment. We have chosen to look at this differently. We have chosen instead to look at the investment from the same position as if we were putting the money into the bank or into super annuation, and the savings as a return to that investment. In researching our options we have spoken to people with similar usage to us, who have already installed solar and have been generating solar for a number of years with a 1:1 FiT. They have experienced a number of years of either paying nothing for their electricity or in fact, being paid a small sum annually. This amounts to a 12-15% return to investment, much more than one would experience from either a bank or super and is very attractive.

However, for this to work, the feed-in tariff should be 1:1. At the moment if we bought a solar system, the FiT has been reduced to 1:3. We would sell our power for 9 cents and buy it back for 26 cents. This reduces the investment to 3-5% return which is much more like a bank but without the security and liquidity that a bank would provide for that investment.

Ideally continuing the original 1:1 rate would reward investors appropriately but as it was deemed not an ideal arrangement from the state electricity provider's point of view there is another way of continuing some of these returns to investment while benefiting the provider also.

If the rate was such that that household solar power generators were to sell their power to the supplier for 9 cents and bought it back for 9 cents the rate would continue to be 1:1 which would give us a better deal for our investment in panels and Aurora would benefit by being able to sell any excess generated to other customers at the normal rate of 26 cents or even more as GreenPower (35 cents).

In this scenario it would be better than the 3-5% return but harder to get close to the 12% because the original 1:1 (28cents:28cents) returns also covered the costs of daily supply charges.

4. What are the social and environmental benefits and costs of rooftop solar generation? What is the value of these benefits and costs?

5. Do the community benefits of incentivising further solar installations outweigh the costs of providing those incentives?

If FiT were to continue with the original 1:1 then it becomes more interesting to consider how far a individual can go to be proactive against climate change and minimising fossil fuel usage which relates to points 4 and 5 for example.

Our household commute to work is 100km daily costing around $3500 per year. If we invest a further $20 000 into a second hand Nissan Leaf Electric Vehicle and buy the power for it on off peak while it is parked at night, we can save 85% of our costs for petrol, commuting to work over the year, which gives us a 15% return to investment.

If we invest a further $15 000 in more panels to generate our own power for the EV and put up a shed for the panels to go on, we reduce the overall return to investment (of $45 000) to 7% but we would be self sufficiently fossil fuel free and it is still a better return than most investments offered by banks or super or anywhere actually.

6. Are there alternative mechanisms (other than changes to Feed-in Tariffs) that could be used to incentivise and reward the installation of rooftop solar generation?

Its hard to find a second hand EV. And ordinary folk like us can't afford a brand new vehicle. Plus it takes a whole lot longer to get a return to your investment when new vehicles have such a steep depreciation in the first year. The government needs to provide incentives to people buying new electric vehicles (perhaps being able to claim the depreciation against tax or as part of our super investment) so that there are enough new vehicles out there that will trickle down to the second hand market and more people can afford to make the investment into fossil-fuel free.
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While the technology is developing, people are still concerned about the km range of EVs. This could be somewhat alleviated if there were enough fast charge stations provided for people to charge their cars. Supporting more outlets in Car Parks etc would be advantageous.

Provision of an additional monetary incentive to first home owners grant scheme if the new home includes solar and/or solar/battery installation.

Similarly to incentivise new businesses coming to the state, offer some additional incentive or short term relief from say payroll tax if the new business includes rooftop solar.

Yours sincerely

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