

Department of State Growth  
GPO Box 536 HOBART TAS 7001 Australia

Re FiT Review Submission

Dear Sirs, I would like to provide the following submission re the FiT review.

The paper provided gives a fair background from one prospective but is sadly lacking in information to allow a fully informed comment to be provided.

The discussion paper states there is approximately 32,000 small solar systems in Tasmania, assuming they talk of domestic installations then I would ask how many domestic accounts do our energy provider supply to. We would at least then have a better understanding of the percentages we are talking about. If as I understand it we have only 160,000 account holders total, take out business accounts and suddenly, we could be talking 25% or more of domestic account holders are micro generators.

With this in mind, I submit my own thoughts, visions and hopes for the future of the FiT in Tasmania.

Is the current FiT fair and equitable? My answer is "absolutely not!"

As a current "Micro Generator" I receive the current rate of 8.929c per kWh which does not cover the cost of infrastructure and maintenance of the PV system. My PV installation cost \$7000, meter change etc a further \$360 Switchboard upgrade to the new required standard a further \$800, after Tech Safe inspection a further cost to have a network card and cabling for the "earth fault" warning needed to be installed as I chose not to have the inverter at my house entry door, another \$480. All up I had spent \$8640. A reasonable business return would be to recover this cost over a 10-year period, so my expected return would be around \$864 per annum. These figures still do not include cost of maintenance or replacement of items at end of life or failure. Indeed, I have already had to replace the Inverter which failed after two years (out of warranty as it had been relocated) and this was a further cost of some \$2100 including electrician to install plus 3 weeks without generation. My system has given me a payback of around \$445 in this last financial year. My energy saving (reduced power bill) was a further approximated figure of \$360 or around a "dollar a day" so all up a return of \$805 per annum. Well short of cost recovery on generation equipment or provision for replacement.

With a "real world" cost of generation in the order of (based on my 6189kWh generated per annum average) being 17c per kWh (allowing 10% infrastructure payback plus 20% maintenance) I believe a 100% increase in the feed in tariff is well justified. After all my excess power goes to my neighbour, a distance around 150mts, for our energy provider price of 21.36c per kWh (current average energy charge).

With off grid battery cells being a viable investment and with both the ACT and South Australian Governments providing substantial incentives for clients to install units it will be inevitable that other States and Tasmania will follow suit to provide for the 100% self-sufficient target by 2022, just 4 years away. If the FiT is not a "fair and equitable" price I believe most clients with Micro Plants will consider and make the decision to go off grid. And that includes myself. This will then mean that our state energy provider will need to recover the network costs from a smaller base and the Government will need to address its dividend requirements from the energy provider and its other business arms, a tough call and one that hopefully will see common sense prevail.

The question of introducing various tariffs is perplexing. I would use the example of off peak power. In my experience I had off peak installed for heating. It was off when I needed it, on when I didn't. I had to provide infrastructure, timer/relay, meter. Every year I was billed \$60+ for the privilege of supply, each quarter I paid a meter/supply charge even though I did not use it as it was a very expensive heating source. I can imagine that micro generators would be the same as we are (in the case of PV) generally exporting when the sun is shining but our energy is required most after the sun has set. I would ask how a different tariff could be of any benefit to the micro generator. It would undoubtedly provide a better revenue for the Energy Provider, costing copious amounts of dollars to have meters re-programmed and the billing system altered to allow for the changes, this cost would need to be recovered from the general account holders. I have a very good memory of what it cost to split our energy provider into different business arms, what it cost to have a new billing system introduced and we are still paying for some very poor business decisions by Government Ministers and their Agents regards other energy directions and outcomes.

As I understand, currently my PV system generates energy that I can use only on Tariff 31 (Light and Power) as it is monitored by the "Smart Meter". Heating and Hot Water, Tariff 41, cannot as it is metered separately. So much for Smart Meters. This means that I cannot use my generated energy for my heating so must rely on the FiT

(Tariff 140) to off-set the cost of heating, something that is important to Tasmanians and Micro Generators as we get older, in fact we have the oldest mean demographic age population within Australia, so until we can have the "Smart Meters " doing their job correctly I see no sense in introducing more complex or additional tariffs.

A question is raised in the discussion paper about PV being made available in rental housing stock. I assume some body has thought about this question. Whoever it was obviously has not had PV as it requires maintenance, checking regularly, not to mention the inherent fire and electrocution risks. The orientation of roofs must be considered, shading etc as not all buildings are suitable for Solar. We removed wood heaters from these homes for the benefit of less smoke pollution. Electric heating was installed in their place and still houses burn down, why, who maintains the heaters? Can you imagine the cost of servicing and maintaining these unit's? There would be no benefit to the community other than the "Polly's Feel Good" statements of look what we've provided and as a cost recovery project it would be a disaster!

On the question of "Smart Technology" I think this is outside of this review but should also be considered as it will impact the future of micro generators and energy providers.

I will begin with "would it not be a sensible approach to have new housing estates consider or in fact be made self-reliant on energy with the use of high capacity battery storage, housing design etc.?" this would then cater for PV micro generation as evident in other states, example being, Townsville where estates are laid out to orientate homes for PV installation and then feed into the grid and battery storage for use locally thus giving some "guarantee of supply". South Australia also is using emerging battery technology where battery storage units are positioned to capture excess micro generators energy then providing that stored energy back into the grid. These units are stand alone plug in and can be expanded or replaced quickly if required, a great example of "plug and play" and best of all, it's Australian designed and manufactured. The future is coming, we just have to use the best of what we have and if that means doing things differently or taking a different approach then that is what we will do, it's called "adaptation" it is a shame we have an energy provider and regulatory bodies that are stuck in a time warp and being forced to rethink their practices and not be civic and business leaders with foresight.

Summary of main points:

- Feed in Tariff to be raised to at least cost of generation - suggested in my case at least 17c kWh as of 2018 rising with CPI or other regulatory increases.
- Look at subsidising Battery Storage as in other States to allow for greater system stability and supply.
- Leave tariffs as they are, apply KISS system (keep it simple stupid).
- Rental housing best left as user pays (solar hot water could be an exception) for installation to lower power consumption (cost savings to the tenant).
- Legislate for new housing estates to be stand alone connected to the grid via Sub Main/Sub Station to community battery storage devices.

Thank you for allowing me the opportunity to provide what I hope is a useful submission and one which may be acted upon.

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