

To: Queensland Competition Authority  
Re: Issues Paper: Estimating a Fair and Reasonable Solar Feed-in Tariff for Queensland

Main points:

Existing tax-payers that have made the significant personal investments in Solar PV, encouraged by all the reasons exhorted by their governments, should not now be singularly disadvantaged because of any failings of their government to foresee the reasonably foreseeable results of their schemes. There should be no retrospectivity in regard to any previous arrangements. To do so would further damage the public trust in anything government-sponsored. Everyone responsible for electing governments has to bear the cost of government and its decisions. Every succeeding government has to accept and take responsibility for the decisions of the preceding government that it replaces.

Existing households with Solar PV installations have made significant personal investments for the future, based on capital payback times and benefit projections that used government supplied information. The government, regardless of its current political persuasion, must now stand behind its incentive schemes. I, personally, have not taken advantage of any previous government incentive schemes (rain-water tanks, solar hot water, home insulation, first-home buyers grant, baby bonus etc.) but I nevertheless share the cost of those schemes as a taxpayer. I expect nothing less from other non-solar PV taxpayers in this case. Retrospectivity is not an option! Expected investment payback-times must be honoured to maintain confidence in any future government-inspired scheme.

Many of the arguments presented in the issues paper seem to pay scant regard to the benefits of Solar PV, most notable the significant reduction in non-renewable fuel cost that is now offset daily by Solar PV. This saving will only increase as these (gas, coal, oil) energy resources get scarcer. Solar PV owners are also much more aware of their energy consumption habits and have effected significant personal reductions in standby power, reducing any increase in demand for expanded generation and distribution capacity. The FIT currently being paid will erode in value due to inflation anyway, and its effect diminish with time.

General Comments:

From P13:

*“These market offers provide customers with a range of contractual terms and conditions combined with potential savings and other incentives.”*

*“While not always the case, a high switching rate typically suggests that retailers are actively marketing in a region and that they are offering customers sufficient savings to incentivise them to switch retailers.”*

What truly IS mostly the case is that people are highly dissatisfied with the large price increases that have resulted from the perceived need to now additionally provide for profits paid to non-government entities, in addition to the actual generation and distribution costs (using infrastructure already paid for by the taxpayers)! No consumer ever wanted this, but it was hoisted upon us by a government incapable of putting long term public good ahead of other motives. This is the only reason why we are so motivated to switch retailers if there are any slight potential savings to be made!

From P16:

Discussing Net vs Gross metering...

*“However, this creates a potential concern as the late afternoon/evening drop in PV generation output closely aligns with the start of the evening residential peak demand on the network. When consumption is deferred to this peak period, the load profile is shifted and peak demand is further exacerbated. This can bring forward the need for network capacity upgrades, which further add to network costs.”*

There is no reason why Gross metering (with appropriate FIT adjustment) should not be used for new Solar PV connections, but there is no case to assume that applying it retrospectively would have any significant effect on usage patterns. Solar PV operators are generally more knowledgeable about the power consumption in their own homes, largely from their own initiative as a result of steep electricity price hikes, and have in many cases managed to reduce their standby power consumption significantly. This, however, does not alter the need to come home from work (after the Solar PV generation period) and do all the normal things that require power, eg make meals, watch TV, do the washing etc. The peak will always be there. What has changed is that Solar PV generation has reduced the need for other generation during the day. This, and the reduction in household and perhaps industrial standby power, has exacerbated the shape of the generation peak, not by causing it to be higher, but by making consumption lower (per capita) for the rest of the time in comparison. Population control and incentives for household PV energy storage (better batteries are coming!) would be a much more effective way to slow any growth in peak demand requirements.

There should be no retrospective switching of existing Net Metering schemes to Gross. The costs for rewiring etc would be horrendous (cost blowouts and rorts, as per every previous government initiative), and the benefits doubtful for the reason I have explained above.

Yours truly,  
Steven Beames