

Tasmanian Economic Regulator

3 February 2022

Dear Sirs,

RE: The rip-off Feed-in Tariff Rate

I have recently completed my owner/build energy efficient retirement house here in Tasmania. I scrimped and saved and eventually had a 5.2kW PV system installed with the thought, after doing my own 'pre-installation' calculations, that I would have nothing to pay for electricity [or receive a small amount of \$s] in my retirement [single person household]. That has proven to be only a dream. *I note that the recent proposed adjustment to the 'feed-in' tariff is a minuscule increase and won't mean anything. There is likely to also be any increase in the other charges.*

The present 'feed-in' rate of 6.5c/kWh and the 'energy charge' tariff of 24.7c/kWh seem to be extraordinarily unfair [more like a rip-off]. It was a shock to actually see these numbers on my Aurora bill. Note: I only have tariffs 31 & 140 as I have solar hot water and rarely need backup.

I know that there are weather/season variations but:

- In my May-August bill, I had inputted 3.5 times more power than used.
- In my August-November bill, I had inputted 7.5 times more power than used. [1567 kWh produced / 209 kWh used]. I did a forward calculation based on these figures and its result showed that I would have to produce 10 times more power than I use JUST TO BREAK EVEN. [ie. a \$0 bill including the daily supply charge]
- In my November-February bill, I expect to input 8.5 times more power than used.

In reference to the above figures, I will continue to have to pay some \$s to Aurora [or other retailer] each quarter while providing a good sized contribution to the grid.

Now this is how I see the 'unfairness'.

1. I have invested more than \$11,000 [PV panels and solar hotwater]
2. I had decided to do what I can for a better environment.
3. Why do I have to contribute so much to Aurora [or other retailer] & TasNetworks highly paid executives and other managerial paper pushers?
4. There is something really wrong when, even producing 7+ times more power than used, I am still paying \$s in my bill.
5. Why should the energy 'retailer' make considerable profit on what I produce? The electrons probably just go to my nearby neighbours.
6. Does Hydro Tasmania, TasNetworks & Aurora [or other retailer] pay the 'retail amount \$s' for power use within their facility?

I am unaware of the calculation method for the 'daily supply charge', so I cannot properly comment though I suspect it is weighted towards the retailer.

I did consider a battery but that is too expensive at present. My PV system [5.2kW] was designed to serve a household of 3 people [possible future owners]. Presently it is only a 1 person household so I will always be producing much more power than I need. If I did get a battery it would be fair & prudent to stay connected to the grid to share the excess power my system would generate. I would STILL be charged the 'daily supply charge' [tariff 31] which is a burden. If I went off-grid, the excess power generated would be wasted [waste is not a concept we should ignore these days].

My present set up is –

Fixed tariff 31 amount = \$81.35 [daily supply charge]

Energy charge = \$51.63 [209 kWh]

Feed-in credit = \$101.88 [1567 kWh]

Aurora Energy [retailer] makes at least \$285 [going towards costs & profit] selling my generated power to others. This is calculated on the 24.7c/kWh rate. My generated power would be regarded as 'green power' so Aurora [or other retailer] could be selling it at an EXTRA premium rate of between 0.602c/kWh & 6.023c/kWh above the base tariff rate. This means Aurora [or other retailer] could be receiving between \$396.5 and \$481.5 for power that they paid me only \$101.88 [how is all this fair?]

So why do PV owners get no 'benefit' from providing 'green power' whereas the 'retailers' add on a nice bit of pure profit by charging MORE for green power?

I really cannot fully understand the MASSIVE difference [standard 18.2c/kWh difference] between the 'feed-in' tariff and the 'energy charge'. Why are the retailer's costs & profit so HIGH?

Now to your draft "Regulated Feed-in Tariff". It has taken awhile to partially understand it. During the readings I noted what seems to be an error.

Page 28 Table 2.2 states that the total loss factor is 1.0531 but on page 29 Table 2.3 and yet the 'value of the avoided distribution and transmission and energy losses states a figure of only 0.361 [should it not be 1.0531?]

The report is quite thorough and enlightening regarding the principle of 'avoided cost' method of calculation. A possible flaw in that method, is that the Corporate costs & profit margins of retailers seem not scrutinised or contested. Though I suspect that is another report/enquiry mechanism into energy tariffs & not feed-in tariffs. The retailers could, in the future massively increase their profit because of the limited number of retailers in Tasmania. The reading of your report has got me rethinking my set up. The consideration of installing a battery is back on my agenda as it seems PV owners are going to continue to be 'screwed' by the system. Should I go to battery, I would definitely 'go off grid' and hence the retailer will lose a customer. Though with my present setup, they are likely to be grateful I was not a customer as they may have to 'PAY ME some \$s'. If a large number of PV owners did the same [went off grid], the poor retail executives would have to find another source of \$s to pay their salaries [as I said previously – increase their profits]

It is unsure whether you, as the 'regulator', thoroughly look into the purported 'corporate costs' the retailers claim to have to deal with or do you just accept the data they give you.

I trust you understand the situation for PV owners and our opinion that 'we are being ripped off'.

Regards,



Geoff Grimes