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Subject: Feed in Tariff

Submission for FIT.

I would like to take this opportunity to submit my view on what is a FAIR feed in tariff for Tasmanians who have invested their money in having installed, or may install in the future, a solar power system. No doubt many of my points will have been covered by other individuals, companies or organisations, so I'll be very brief in my input.

My reasoning is based on the following points:

- 1. The 8.282c/kWh is an insult. Aurora presently charges 28.283 cents for light & power tariff (31) and 19.431 cents for heating tariff(42). This represents an excessive profit to retailers and others(??) at the expense of the domestic system owners. Also, it is wise to keep in mind that Aurora has possibly the highest fixed charges in Australia.**
- 2. The domestic systems are mostly in built up areas, and therefore the excess electricity generated travels a comparatively short distance (a few 100 meters at most) to be used by other consumers. This means the "distribution" cost is minimal when compared to Aurora's distribution costs.**
- 3. The excess power produced by domestic systems is ready to use. That is, it is a low voltage(240V) and therefore requires no "transmission" costs such as transformers, high voltage lines or maintenance.**
- 4. Tasmania's electricity is produced mainly by hydro, which is easily regulated up or down by demand. The other states rely mostly on coal fired boilers which can take days to fire up and therefore have to be running most of the time to cater for peak demands.**
- 5. The Tasmanian government has an attitude of following the other states when it is to their advantage but shies away when it may incur costs. By this I refer to the fact that most other states have had premium FITs and have now backed away from these excessive figures and settled on the 8c/kWh FIT. Keep in mind that many states have these premium rates locked in with contracts for years to come(eg.Qld-2028). It is to be expected that these states will want to balance these excesses by introducing a FIT that lessens the impact of the premium FITs. Tassie never had a "premium" FIT, only the 1:1 system and therefore a future FIT should not be based on what the rest of Australia has adopted.**
- 6. The FIT should be set so as to maintain the employment within the companies that presently install solar systems. The present 8c/kWh and the future 8.282c/kWh certainly isn't enough to encourage people to invest in these systems. Tasmania has enough employment issues without cutting the throat of this small industry.**
- 7. The owner of a domestic solar system will have to bare the cost of any repairs or replacement of parts to their system. To replace a 2kw inverter is approximately \$900.00. Naturally this is not a tax deductible cost so the FIT should be an amount that makes upkeep affordable in the long term.**

In closing, I believe a FIT for new systems and existing systems after 2019, should be equal to the HydroHeat tariff 42 (presently 19.431c?kWh). This would be a break even amount on the tariff 42 but would give a fair profit margin on tariff 31 of over 40% on the FIT. Surely this is a FAIR return to Aurora or a future electricity retailer!!!!

**Regards,
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