

Submission to
To ICRC

There is much inequity created by having consumer subsidise high feed in tariff for household level generation of power. Unless there is some efficiency of bulk production with installation capable of more than 10 KW there should be no special feed in tariff.

Householders be allowed to collectivise to share the income a single small (not micro) to medium and large generator which they finance as cooperatives / small companies / individuals – leasing appropriate sites for the generator sites from the ACT government or collectivise their roof space.

Tax treatment of feed in tariff need to be clarified, as would other costs that need to be taken into account in investment decisions eg leasing of land, insurance.

Small scale net into the grid generators should be considered for arms length superannuation investments. (Net into grid means at the household micro generation level only only system that create more power than is used in the home should qualify for a feed in tariff greater than the consumption charge).

Planning approval needs to be simplified for net into the grid, small to medium to large generators – if renewable power systems like PV or wind are really desired then the path way for getting such system up and running should be smooth – this suggest almost off the shelf purchases .

Generators need to be geographically spread in the ACT and include NSW – so to ensure continuity of supply, e.g wind generators need to be in different wind locations.

If ACTEW supplies power to a NSW resident then ACTEW should apply the same feed in tariff as it applies in the ACT. This is currently not the case so individual investment decision in NSW on net into the grid systems will not benefit the ACT low carbon emission targets. No NSW investor will accept a feed in rate of say 14 c /kwh (kwh for Kwh or one for one as it is now) from ACTEW when they pay country energy 19.62cents per kwh for the actual power they consume .

Is there likely to be a problem after the feed-in encouragement tariff is abandoned. If there is no advantage feed-in Tariff say after 7 years as in NSW(life of the incentive payment) the “efficient” generators ie above 10 kw getting paid 80% of the premium rate. However after that 7 years – will they will receive period 80% of the retail/wholesale price as a feed in rate for the power they generate currently 19.62 cents per kwh.

To ensure efficiency in the size of generating capability, there should be no advantage feed in tariff for generators until there is a net over supply delivered to the grid.

Rural consumers pay more for their electricity ie about double double. So a feed-in tariff expressed in cents ie 60c is not 3 times the buy in rate but closer to half in percentage terms.

Small scale PV systems may in fact produce more carbon emissions in the manufacturing of the PV systems. Life cycle carbon emissions need to be factored in when deciding to encourage/ not encourage domestic/cottage level micro power generating enterprises – that generate at the household level less than is consumed. .

There is a need to couple carbon emission control with population level planing such that population levels to not unbalance emission level controls.

For landlords to install generating capacity and low emission technology – changes need to be made to the tenancy laws including existing restrictions on rental increases, access to premises (to clean solar panels).

Rental increases for an existing tenant can only be increased by a CPI like index and the Residential Tribunal might not allow an increase in the rent to cover the investment into a PV system. There are quite onerous provision on access to a rental property requiring advance notice, of which the selected day can be over ridden by the tenant and there is nothing in the law that prevents a tenant denying access repetitively.

In some cases of subsidy applications a landlord who applies for a concession on an investment dwelling for say water tanks or hot water systems, are ruled out as they are not the occupant.

Metered consumption is a tenant responsibility to pay. Power generated by micro system does not necessarily go to the investor in Micro systems if this happens to be the landlord This would be especially true if there is a single meter system for power in and power out).

Currently there is nothing in the tenancy law that allows the landlord to take the benefit of micro generating output at the rented property. For this reason no landlord will direct expenditure to the installation of PV micro systems.

Following the Bangladesh argument at Copenhagen, persons unable to afford to upgrade their houses to offset their consumption by generating power on site, might adopt a similar argument as used by Bangladesh and argue they cannot afford to pay the higher rate of electricity to underwrite the investment of person better off then themselves. Being unable to afford to make changes then the argument expands to seeking welfare (international aid) on the grounds they are the most affected The inequity will result in pressure to make investors subsidise the Canberra Bangladeshi even more or a new class of people will emerge in Canberra based upon concepts of the “newly poor’ not due to income but caused by structural change.

On the whole the idea of incentive feed-in tariffs for non economic micro generators is stupid ad a waste of money in the long term for government, the investor and business. The answer is what has been the case for years that is systems of sufficient scale to serve a given community.