

26 November 2009

Mr Paul Miley

Consulting Partners

VIA EMAIL pmiley@consultingpartners.com.au

Dear Mr Miley

SA SOLAR FEED - IN TARIFF REVIEW

The Environmental Defenders Office is a not for profit community legal centre specializing in public interest environmental law. Our services include legal advice and representation and we also engage in legal education and law reform activities.

We welcome the review into the solar feed-in tariff. Since the introduction of the \$0.44/kWh premium, some electricity retailers (most notably AGL and TRU Energy) have either stopped paying solar panel owners, or have significantly reduced payments for the electricity that households export to the grid. In essence, some retailers have chosen to replace what they were already paying to solar panel owners with the \$0.44 premium, thereby ensuring that domestic electricity consumers, rather than the electricity retailers foot the bill for paid premiums.

For example, AGL, who previously paid solar panel owners between 16-24c/kWh pays nothing, and eligible households must be content with the set premium.

The failure of the electricity retailers to pay solar panel owners a fair amount represents a significant disincentive to others thinking of installing solar panels. In light of the fact that 92% of our electricity is still sourced from fossil fuels, the solar incentive should be made as attractive as possible.

The more widespread the practice of installing household solar panels becomes, the less greenhouse emissions will be produced and the more cleaner electricity generated.

A further issue is that states like South Australia which have adopted a net tariff i.e. payments are only made for electricity left over after on-site use, the time taken to pay back the up-front costs of installing solar panels will be significantly longer for households as compared to the ACT and NSW who have adopted a gross metering method where the premium is payable on the basis of overall output. The issue is, electricity retailers should come to the party so as to prevent households that adopt greener methods being financially inconvenienced. They were after all, prepared to pay for the electricity exported to the grid prior to the introduction of the tariff at the same rate that customers were paying retailers for electricity.

The EDO strongly supports legislative reform to restore fairness to this system

Yours sincerely

Environmental Defenders Office (SA) Inc.

