

I wish to make the following comments on the IPART Review of Solar Feed-in Tariffs 2017-18.

### **Greenpower**

Many retailers offer their customers a "green power" option, whereby customers can elect to pay extra to receive electricity generated by accredited renewable sources.

With my retailer, Origin Energy, I may opt for a designated percentage of electricity consumption to be sourced from accredited renewable sources. Presumably, this should include electricity exported from small-scale PV generators. The additional cost to the consumer, as quoted by Origin for 100% greenpower, is 5.61c per kWh. The IPART draft says the recommended benchmark range excludes any "value for avoided social cost of carbon", because to do so would cause retail prices to be higher, contrary to terms of reference. To the extent that some proportion of consumers elect to pay a higher price to retailers for accredited "green" electricity, this payment should flow on to the small-scale PV generators as part of the benchmark price range.

Are small-scale PV generators included in the greenpower accreditation system? If not, why not? If they are included, then who gets the 5.61 c/kWh that general consumers may elect to pay?

### **Use of 25th Percentile Rather Than Median in Simulation Model Results**

The draft report does not justify this assumption - simply refers to earlier report (2015 Final Report), which doesn't really provide any better explanation. If read correctly, adoption of the 25th percentile, rather than the median or mean, was an arbitrary decision to try to correct for 2009-10 and 2010-11 having unusual/extraordinary high price peaks in the early afternoon. Using 25th percentile would seem to give a lower "solar premium" result (and therefore final price) than if the median or mean were used.

If you are trying to predict current and future wholesale prices at 30 min intervals across the day from historical data, then surely your methodology should give less weighting to older data, so that any distorting effect of "anomalous" data from the earliest two years would progressively reduce each year. Indeed it might be argued that as each new year's data is added to the model, the oldest year's data should be dropped, so that each year's analysis uses the same number of years of data - being the most recent available.

It would seem to be simpler and more mathematically valid to now remove the years 2009-10 and 2010-11 from the spot price data and revert to the median or mean value of the modelled solar premium distribution (Fig 5.1).

### **Smart Battery Storage**

Significant community benefits, via better efficiency and lower prices, should flow from widespread use of distributed, "smart" storage devices (eg batteries). In a domestic situation, these systems store PV generated energy and export to the grid at times when demand (and price) peaks. The current IPART methodology does not seem to allow for this factor.

### **Profit Margin**

The IPART report, Figure 5.2, indicates that the average wholesale price is around 5 cents (+/-1

cent) per kWh. On my contract with Origin Energy, I pay about 20 cents per kWh (excluding GST). On the face of it, this seems an extraordinarily high margin for retailers, especially when most of the fixed grid costs should be covered by the additional \$1.36 per day "supply charge" included in my bill. It seems a fair conclusion that the widely touted benefits of retail competition are just not being realised.

[REDACTED]

[REDACTED]