

20th April 2011

The Chairperson,
IPART
PO Box Q290,
QVB Post Office NSW 1230

Dear Chairperson,

Submission - Electricity Draft determination – April 2011

I note in the above draft determination that you have had nothing to say on the issue of the System Access Charge (SAC) which is levied on consumers, other than to confirm that it remains part of the pricing structure which is charged by electricity retailers. This charge may be justifiable in circumstances where 100% of a consumer's electricity is provided by the electricity retailer, but as you have noted in your draft determination, this is no longer the case for many consumers.

I believe that the System Access Charge (SAC) in its present form is no longer justifiable. Since a significant number of consumers are now net exporters of electricity to the grid; (and their premises have essentially become part of the grid); I believe that the SAC should be restructured to reflect the significant investment which these consumers have made in solar and wind power systems.

I am proposing that the SAC for a given consumer should be apportioned to reflect the net amount of electricity actually drawn from or supplied to the grid and should be calculated as follows:-

$$\text{SAC} = ((B-A)/A) \times R \times D$$

Where:-

A = total KW/h drawn from the grid

B = total KW/h supplied to the grid

R = the existing daily rate of the SAC

D = the number of days in the billing period

If the result of the above calculation is less than zero (negative) then this amount would be debited to the customer's account, but if the result of the calculation is greater than zero (positive) then this amount should be credited to the customer's account.

For your consideration

Paul J Kentish