

Submission regarding the discussion paper on the Distribution Market Model (SEA0004)

The discussion paper as proposed does not discuss or entertain that the market may not continue to be supported by all parties.

While the paper acknowledges that the consumer will act in their own interests, the scenario that the consumers interests could be best served by leaving the market and disconnecting their PV solar and battery systems from the grid is not discussed or modelled.

I suggest that the tipping point for battery plus solar is very close if not past in suburban Melbourne for anyone with a 10+ year view on return on investment.

My own rationale and experience has progressed as follows;

- 1> Simple consumer with no solar.
- 2> Solar systems become cheap enough to produce a return on investment in less than 10 years (albeit with government assistance)
- 3> Solar feed in tariff matches supply price of electricity – the grid is a power bank.
- 4> Solar feed in tariffs deregulated and .33 cents becomes .5 cents.
- 5> Battery system ordered as selling power for 5 cents and buying at 33 cents is not economically clever. Return on investment is still less than 10 years
- 6> Network connections charges considered expensive insurance for security of supply
- 7> Additional PV solar capacity requested from SP Ausnet 3KV to 6KV – denied.

- 8> Plans made to disconnect from the grid once enough data is gathered from battery system usage to calculate additional solar panels required. Security of supply ensured by own generator.

The impact of the process being repeated in increasing numbers will mean that the grid costs will be shared by fewer participants, less demand for power generation and the system will increase in cost dramatically feeding the cycle.

The distribution market model needs to break this cycle to ensure that the consumers remain participants in the market.

It needs to;

- 1> Allow for the solar plus battery systems to scale to a size that supports a household as this is inevitable regardless of the market regulator.
- 2> Be cost effective to remain connected to the grid regardless of net energy usage. The distribution cost can only be recovered to point that consumers will pay for security of supply (effectively the costs of self-generation by non-solar) as opposed to the cost to provide the distribution network

- 3> Enable the resolution of the technical issues of unregulated contributors to supply, even if this means removing the ability to sell to the market in periods of oversupply.