

Submission Type: Rule Change

Reference: Access, pricing and incentive arrangements for distributed energy resources

Organisation: n/a

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Comments: I strongly object to this policy for the following reasons:

1. Households with solar have invested based on an expected ROI. This policy retrospectively changes the economics of the investment that they made in good faith.
2. I have already experienced issues with high grid voltage which were not addressed by Ausgrid after having raised two separate tickets with them. Most of the networks are now at least partially privatised and so the policy will act as a further disincentive for these companies to fix up grid underlying problems in the infrastructure as they would be generating additional revenue from this. Network upgrades are supposed to be funded via the daily supply charge. It is also unclear at what point the network upgrades would be considered complete and this charge could be removed.
3. The estimated saving to non-solar customers of \$15 per year is so insignificant that it would not be noticeable. It would also easily be masked by changes in the electricity or supply charges. Based on the estimated average charges solar households this would raise \$270million. The estimated savings for non-solar households cost \$270million so is this expected to be a revenue neutral measure? If so, how can we expect networks to reinvest to improve the infrastructure?
4. The average estimated costs to solar customers of \$78 is very opaque. What price per kWh is this based on? How much energy are you estimating the customer will self-consume vs export? What percentage of the time will the export charge be applied to feed in? Are the charges applied in addition to payment for FIT? How can this average charge be estimated at all when the policy appears to allow the network to decide the pricing structure?
6. The average estimated costs to solar customers is also misleading as customers who invested in oversized for the purposes of exporting excess energy to the grid are going to be disproportionately more affected as they will be exporting much more than the customers who have older/smaller systems and will be liable to pay this charge for significantly more kWh. The estimated charge should be given for various different system sizes so that customers can make an educated assessment of the impact of this policy on their own circumstances.
7. If charges are made then it should be transparent to users what this charge is funding and why. Currently the daily supply charge is debited and in my experience when I have attempted to report grid faults that are resulting in me being unable to export electricity (resulting in a loss of income) I am fobbed off. If I were charged a nominal fee in order for me to be able to increase my ability to export solar over the long term then this would make sense, however, this is not how it works in practice.
8. It is commonly assumed that low income households are not benefitting from solar, however, evidence suggests that lower income households are installing solar at a faster rate than the more wealth households. This makes sense as these households are more likely to be concerned with reducing their energy bills and this policy will hurt those the most. See

<https://www.energymatters.com.au/renewable-news/solar-demographics-poorer-households/>  
& <https://www.smh.com.au/environment/climate-change/poorer-households-switching-to-solar-faster-than-the-rich-20190222-p50zqr.html>

9. Far from being disadvantaged non-solar households are benefiting from record rooftop solar installations in the form of record low wholesale energy prices. See

<https://www.smh.com.au/politics/federal/power-prices-fall-as-mild-summer-renewables-reduce-generation-costs-20210427-p57mti.html>

10. No attempts have ever been made to disincentivise the installation of high demand appliances such as air conditioners which arguably cause more grid instability than rooftop solar.

11. Large energy generators (for example Snowy Hyrdo 2.0) are not expected to pay the costs of use of the network so why should households be expected to pay this? Why are large scale solar installations being excluded? Having electricity generated at the same location as customers is much more efficient.

12. The policy is a slippery slope as charges will inevitably increase over time, making a solar installation become even more of a liability for a household.

13. This policy will discourage new solar installations, at a time when it is critical that we shift electricity production from greenhouse gas emitters to clean green energy.

Whilst I agree that 'solar traffic jams' are a significant problem, this is not going to solve the problem. We could get better results from both increasing storage and daytime demand, such as by:

1. Better educating consumers on self-consumption
2. Policies to encourage the installation of hot water heat pumps (to effectively act as a battery so that households can consume more of their peak solar production and utilise it at a later time). These products are still relatively niche, but offer a huge opportunity to decarbonise our homes especially versus existing gas hot water boilers.
3. Policies to encourage home battery installation.
4. Policies to encourage electric cars.