

Submission to the Australian Energy Market Commission on:

Draft rule determination

National electricity amendment (access, pricing and incentive arrangements for distributed energy resources) rule 2021.

National energy retail amendment (access, pricing and incentive arrangements for distributed energy resources) rule 2021 .

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1. I object against the proposed rule determination.

2. My objection is based upon the following:

a. The proposed rule changes impose additional costs on persons and businesses that have already invested in providing the cheapest source of electrical energy, free of carbon dioxide emissions¹. In contrast, the proposed rule changes advantage generation systems that provide more expensive electrical energy while producing the greatest proportion of Australia's CO₂ emissions. The proposed rule changes militate against the stated policies of all State and Commonwealth Governments to reduce CO₂ emissions as a matter of urgency, and should be disallowed for this reason alone.

b. The proposed rule changes have perverse consequences.

i. They tend to dissuade the public from investing in solar PV because of publicity and caution about a so-called 'sun tax';

ii. They remove the incentive for network owners to modify their networks to accommodate increased distributed solar generation, because instead the networks can charge owners;

iii. There is no discernible provision in the rule changes to induce network modification, which is essential if the public's enthusiasm for solar PV is to be capitalised upon to provide further emissions reduction;

iv. In consequence, retardation of increase in rooftop solar PV and of the emissions saving is to be expected.²

c. The proposed rule changes are manifestly unfair. Solar PV owners already provide the cheapest source of electrical energy to the grid. The increase in renewable energy has already resulted in reduced prices to the public.³ However, solar PV owners, like all consumers, pay a fixed charge for connection to the network but make less use of energy from the grid than non-owners. Solar PV owners already pay more than their share of ongoing network charges and to increase that share is unreasonable.

¹ For example, in the month to 28 April 2021 the 8.14 kW solar PV system on my own house produced 931 kWh, equivalent to 365 kg CO₂ emissions eliminated. The State of NSW had 3.25 GW of small-scale solar PV installed (as at 31 December 2020): at a conservative estimate, therefore, small-scale solar PV eliminates more than 1% of the State's CO₂ emissions - while at the same time providing electrical energy at extremely low cost.

² Only about 25% of houses in NSW have solar panels at present, and it is feasible that at least the same number again might choose to install them in the absence of any deterrent such as these rule changes, doubling the emissions savings.

³ ACCC: <<https://www.accc.gov.au/media-release/opportunity-for-energy-savings-must-not-be-wasted>>, <<https://www.accc.gov.au/media-release/900-million-in-electricity-bill-savings-available-to-households>>