

To: [Committee, EC \(SEN\)](#)
Subject: Submission for the inquiry into the performance and management of electricity network companies.
Date: Tuesday, 18 November 2014 3:10:14 PM

Hello,

I was oblivious to the way our energy companies worked until earlier this year when I installed solar panels on the roof of my house. I installed a 5 KW system which produces more electricity than we use in our home. The only method available to us is for all of the electricity we produce, minus what we use at the time it is being generated, to be fed back into the grid. For this electricity we are currently paid 8cents per KWH (soon to be reduced to 6.2cents per KWH in 2015) when the sun goes down and we stop producing electricity we need to buy it back from the grid. Before I installed the solar panels I was able to buy electricity at 22cents per KWH, now that I have the panels the cheapest price I can find is 30.4cents per KWH. All electricity retailers have a different pricing structure for people with solar panels, peak and off peak times, the peak times are between 7am and 11pm every day. For a person working regular office hours that means every time you use electricity it is charged at the peak rate. This seems like a deliberate ploy to discourage people from investing in solar power. The system I purchased cost \$5500, a significant investment for an average home owner, the cost to buy electricity goes up when you have panels installed and the amount you are paid which was already low is soon to be reduced.

In the current model I need to produce nearly 4 times the amount of electricity I use to break even. When the feed in tariff is reduced it will be closer to 5 times the amount. I currently produce slightly more electricity than I use but I am still billed a significant amount by my retailer.

Since making these discoveries I have been researching all of the available retailers, comparing all of their offers. I have tried to negotiate this with my current retailer as well. I have contacted my electricity supplier to try to negotiate with them. I have written to members of Parliament to seek clarification as to why feed in tariffs are so low and how electricity retailers justify charging people with solar panels more for the same electricity, all to no avail.

If you leave aside the environmental argument as to why people should install solar panels and focus solely on the economics, there are no incentives for consumers to commit to this technology. Your bill will be slightly reduced and it will take 6 years for your investment to pay for itself.... Why bother??

If you factor in the environmental argument to switch to renewable energy resources the government has a responsibility to make this transition with equality and fairness to those who can make the change. Not everyone can afford the initial investment, those who can should be encouraged to do so through a feed tariff that is at least close to what you pay to buy electricity.

Thank you for reading my submission,

Simon Tesoriero