

6 September 2011

Solar Feed-in Tariffs
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230

ipart@ipart.nsw.gov.au

Thank you for the opportunity to comment on the *IPART Issues Paper: Solar feed-in tariffs, setting a fair and reasonable value for electricity generated by small-scale solar PV units in NSW*.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

The NSW Solar Bonus Scheme resulted in a high volume of customer complaints to EWON. Many of these complaints stemmed from the several changes in government policy, and the consequent level of uncertainty this generated.¹

Some customers have been disadvantaged when their solar installers failed to submit the required documentation to the distributor by the critical dates when the terms of the subsidy changed. Other customers have not been aware that entitlement to the subsidy ceased when there was a change in the account holder, which is most often the case when a property is tenanted for any time.

Now the Solar Bonus Scheme has closed to new applicants, we support the aims of the *Issues Paper* in seeking to establish a fair and reasonable outcome for customers with solar PV units without a government subsidy.

In the absence of a national feed-in tariff scheme, EWON supports IPART's investigation of an appropriate methodology for placing a value on the energy exported to the grid in NSW, and to explore the ways this could best be implemented in the NSW market.

¹ Complaints include the changed metering requirements from a net to a gross scheme, the reduction in the feed-in tariff from 60 cents to 20 cents per kWh, and the suspension and later closure of the scheme.

EWON believes that any feed-in tariff should be easy to understand, simple to administer, and provide some level of certainty to customers who have either already installed, or are contemplating installing, a small scale solar PV unit.

EWON has previously queried the design of the Solar Bonus Scheme, in that the benefits only accrued to that portion of the community who were both home-owners and were able to afford the installation costs of the solar panels. This excluded most customers living in apartments, tenants, and low income households.

Despite this, the costs of the scheme were to be met either by all account holders via raised electricity prices, or by NSW taxpayers. With the ongoing increases in electricity pricing in NSW, we have received an increased number of affordability complaints. It appears inequitable that low income and disadvantaged customers face further price increases, while they cannot participate in the scheme.

We therefore acknowledge IPART's approach in looking at the contribution retailers could be required to make towards these costs, to reflect any benefit they receive from the Solar Bonus Scheme, and to go some way towards mitigating costs that would otherwise be met by those low income and disadvantaged customers who are not receiving any benefit from the Scheme.

If you would like to discuss this matter further, please contact me or Prue McLennan, Investigations Policy Officer on 82185250.

Yours sincerely



Clare Petre
Energy & Water Ombudsman NSW