

**TRIM (C/13/17324) Submission on Draft Review**

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**David Sparks** to ESC  
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From: "David Sparks" <d.sparks21@ozemail.com.au>

To: "ESC" <fitreview@esc.vic.gov.au>

Dear Mr Cefai,

Essential Services Commission.

Minimum Electricity Feed-In Tariffs:

Draft Decision-

Call for Submissions

In response to the item on page 12 of The Age of 10 July 2013, I wish to make the following observations.

1 During 2012 the Victorian Competition & Efficiency Commission (VCEC) conducted an enquiry into Distributed Generation and published a report titled, Power from the People. This was a very detailed report which involved submissions from a wide range of stake holders. As a consequence it published many points of view on the subject of tariffs. The ESC Draft Decision has selectively quoted from some sections the report in a manner which could be understood to show a bias towards the justification of a low feed in tariff. The ESC draft does not appear to provide any recognition of the arguments provided by VCEC to recognize the environmental advantages of small scale renewable energy.

2 The VCEC report provided a Draft Recommendation 6.1 which does not appear to be recognized by the ESC Draft.

3 The VCEC report and the ESC Draft appear to take the position that the market should influence the price paid for renewable electricity. That is the ESC draft base price before correction for loss factors is a market value. Such an approach, the influence of the market value, does not recognize the inability of the small renewable generator to have any negotiating power with the large retailer. Therefore market influence is a clear sympathy to the influential retailer.

4 The VCEC report indicated that small renewable generators which operated under the Standard FiT, did so on the understanding that the enabling legislation for it did not provide an end date for the Standard FiT. The need to quarantine of the Standard FiT from other tariffs is not apparent in the ESC Draft.

5 It is not clear in the ESC Draft as to the application of the proposed tariff to pre existing small renewable energy generators. That is pre existing generators would have been installed on the assumption that the tariffs, terms and conditions earlier published would prevail for sufficient years to enable a reasonable rate of return on the investment made. The question is whether the ESC Draft tariff will apply to existing installations or only to new installations. Respective change will provide a very poor message to people contemplating installing a renewable energy generator.

David Sparks