

Christine Kennedy, (Mrs.)

[REDACTED]

ENDEAVOUR HILLS 3802

Vic

26th July, 2015

Feed-in Tariff Review 2016,
Essential Services Commission,
Level 37,
2 Lonsdale Street,
MELBOURNE 3000
Vic.
email: fitreview@esc.vic.gov.au

cc: Hon. Luke Donnellan,
Local Member for Narre Warren North
Hon. Lily D'Ambrosio,
Minister for Energy and Resources
Hon. Daniel Andrews,
Premier
Hon. Matthew Guy,
Leader of the Opposition
Mr. David Southwick,
Shadow Minister for Energy and
Resources.

Dear Sir/Ma'am,

It is with great disappointment I read that the F-I T (Feed-in Tariff) is to be lowered again. Being a member of a (fast) growing industry of small PV Solar Panels units in the domestic market, I feel robbed. I read with interest your tables of how you arrived at your conclusion and I am mystified with the "maths" - not being my strong point.

Quote from page 3 'The proposed rate is lower than the 2015 F-I T rate of 6.2 c/kWh this is due to a lower forecast wholesale market price of electricity, particularly during daylight hours when PV electricity is generating.

This report sets out the calculations made to determine a F-I T of 5.0c/kWh for energy supplied into the grid and invites comment on the application of the methodology.' Unquote.

If F-I T solar generate electricity is increasing and the forecast for 'coal producing electricity' is decreasing during day light hours what is wrong with that? If Germany can make a commitment to 30% reduction in its forecast to lessen their dependency on coal energy and New Zealand by 90% by 2030/2035 shouldn't we still be encouraging renewal energy? As renewal energy grows it makes sense that we will be less reliant on coal produced energy, then, naturally the demand will fall during the day. This does not mean we, the public, have to prop up the electricity company's dose it? One would like to think they are also investing in their future with renewable energy.

Quote 2.2 'Relevant Pricing Principles

The general principle that the commission adopted in its determination of the minimum F-I T 2014 and 2015 is that small renewable energy sources should receive full credit for the benefits of the electricity they supply to the market.

This principle is consistent with the view of the Australian Energy Market Commission (AEMC 2012) and the Victorian Competition and Efficiency Commission (VCEC) in its 2012 inquiry into distributed generation. VCEC concluded that under an 'efficient and fair' F-I T, 'distributed generators should receive a price that reflects the value of electricity exported to the grid.' (VCEC 2012 p.147)

The Commission will continue to adopt this principle for the 2016 F-i T Draft decision. Unquote.

'Should receive full credit for the benefits of the electricity they supply to the market'.

'Should receive a price that reflects the value of the electricity exported to the grid'.

I do not believe or feel 5.0c/kWh is just and fair when I know the electricity company can and do pay higher for PV Solar generated electricity.

Why is the commission considering only the minimum price, why not a maximum price also, so we the customer can have a greater say in the F-I T when speaking with our suppliers? Who don't want to speak with you when you phone to speak to them about getting a better deal, they only want to pay the minimum F-I T price which is better for their profit line. They do not have to worry with maintenance or replacement of PV solar energy generated equipment on our roofs (business and schools roofs etc.).

Have you taken this into your calculations theory?

By having a minimum price only it feels that the electricity companies can and do get away without paying a just price. It feels like the Essential Service Commission of Victoria empowers the electricity companies to pay the minimum price and not even try and give a just price to the 'little people' of Victoria.

I have also enclosed a copy of my letter to the Essential Service Commission (and others) dated 11th March, 2015 in case it has been filed away, binned or worst ignored!

Thank you for taking the time to read my Letter.

Yours sincerely,

Christine Kennedy (Mrs.)
Housewife

(Hard copy in post)

Christine Kennedy, (Mrs.)

[REDACTED]

ENDEAVOUR HILLS 3802.

11th March, 2015

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Hon. Lily D'Ambrosio,
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Hon. James Merlino (Deputy Premier)
Minister for Education,
Level 3
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Hon. Lisa Neville,
Minister for Environment and Climate Change, and Water,
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Hon. Timothy Pallas,
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Hon. Luke Donnellan,
Local Member for Narre Warren North,
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cc:

Hon. Matthew Guy,
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Hon. Anthony Byrne,
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Lumo Energy,
G.P.O. Box 632,
COLLINS STREET, WEST 8007. Vic.

Essential Service Commission Victoria,
Level 37, 2 Lonsdale Street,
MELBOURNE 3000.

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Energy and Water Ombudsman,
G.P.O. Box 469,
MELBOURNE 3001.

Vic.

The Age
The Australian
The Herald Sun
The People of Victoria

Dear Sir/Ma'am

I'm writing to you for a just price on Feed-in Tariffs with domestic/schools/business solar energy – green energy and the continuing price rises of electricity.

In today's modern time 'electricity' is an essential service.

We, my husband and I, decided to put on solar panels after we received our smart-meter up-grade (from the old meter).

1. To help our own use of electricity and bring down our cost of electricity.
2. The electricity produced, and not used, flows into the electricity grid to help supply our community with a supply of electricity and help our environment in reducing greenhouse gases.
3. The Federal Government had been supporting and encouraging putting on solar panels with rebates for installing solar panels and reducing greenhouse warming, and setting a goal to bring down these greenhouse gases and global warming.

After putting in solar panels mid-2013 and ringing my billing company (Lumo Energy) and my electricity supplier (United Energy) earlier in 2014, to try and get a better deal on my feed-in tariff I was fobbed off – I was told that the Department of Primary Industry sets the price for feed-in tariffs – they were not interested in discussing the price of 'Eight Cents' a kWh. Eight cents a kWh is a minimum price that has been set by the Department of Primary Industry. When solar energy – green energy – was introduced the feed-in tariff price was sixty-six/sixty-seven cents per kWh. I take it that this was the encouragement to start the solar energy going-green energy. I also know that this cannot be sustained and the price would drop as more pioneers came on board.

The Federal Government had set a target of renewable energy of around 20% by 2017 and I would like to think that beyond 2017 the target would rise again and keep rising until 50/60% was attained. Since starting this letter we have had a change of Federal Government and the tariff has been lowered. Small minded “pollies” or big business interfering?

Why are we being made to prop up the energy companies' profit margin? The energy companies are now *'settling down after the fight for customers' and after paying sixty-six/sixty-seven cent a KWh are now aiming to *'rebuild their profit margin base' (*as reported in the Herald Sun early 2014) at the expense of the householders (and maybe business and schools that have invested in solar energy). **Why are you allowing this injustice and abuse?**

Energy companies are even talking about charging householders (and businesses?) extra for line maintenance if they have solar panels. First our forefathers and mothers built the energy lines, poles, and started up the electricity industries through their taxes – the present energy company's management didn't! Second we pay and have been paying service fees since God knows when. Third we sure could use a break from constant fee rises; we don't have a money tree in our back yard! My husband and I are pensioners. I see young families around us, including our own children trying to keep up with their bills and responsibilities, why does it have to be so hard?

I feel the government should be continuing to encourage householders, businesses and especially schools to continue putting in more solar panels. Schools are closed twelve weeks of the year, week-ends and public holidays, including January, normally a hot sunny month, feeding in green energy to the community and helping our schools bring down their energy bills and, maybe, could even help keep fees to the parents down, especially if they had a just feed-in tariff price – thus in the long term even easing the tax payers bill! It would not hurt to look into it.

There has been little infrastructure here in Victoria since the 1970's

I would ask the Government department that set the minimal price to re-visit this area and set a just price around five cents below the charged price of coal powered electricity from the power companies or one for one as the Northern Territory is doing. * (2014 price, since changed to 27.13 cents per kWh 2015. *From "solarmarket.com.au Solar Feed in Tariffs

Solar energy – green energy still runs our lights, powers our machines and is of the same value isn't it? Coal powered energy is still needed at night and on cloudy days. The two systems are compatible to each other.

I would like to suggest that the energy industries look at either buying into a solar panel industry or starting one up with the intention of placing a plant or factory in the Latrobe Valley to manufacture solar panels and their meter boxes to help maintain employment in the area.

Bushfires. The 2011 Victorian bushfires destroyed communities and overhead electricity lines as well as melting electric lines that were underground, so could the electricity companies work with the CSIRO to

work out the best depth to place underground lines throughout our State and Federal parks and reserves?

School communities could be asked to help co-pay for solar panels over a set nine year plan, example only. Any credits made from current solar feed-in tariff payments could be placed in a special account to buy more solar panels – remembering that they also save by using energy being made during the day, remembering week-ends and school holidays these buildings are vacant and can help on supplying electricity during summer and building credits for the schools' yearly electricity bills.

Parents could be asked to pay Five Dollars every second month five time a year – March, May, July, September and November to help pay for solar panels. Parents and their children may not fully benefit now but the parents' grandchildren and their children's children will benefit down the track.

It may not seem much but having solar energy – green energy – produced by homes, schools and businesses will help ease demand on electricity in extreme heat waves and may avoid blackout areas, thus, helping the elderly, the very young, people in their own homes, children at schools and businesses, in other words, the community at large.

Price: Discounting by five cents the energy companies could plan a maintenance plan, bushfire and emergency account and still make a profit. At present our electricity company is paying 8 cents a kWh for feed in solar electricity and on selling it for 24 cents kWh making a profit of 16 cents per kWh.

It is taking weeks instead of days to connect our smart meter box – 'feed-in tariff' - to the grid, thus, receiving green energy free of charge. There is no incentive to act if they can obtain green energy for weeks without paying for it thus making a huge profit.

For e.g.: On a twelve panel solar system,

One hundred households with an average of 15 kWh on a good day, $15 \text{ Kwh} \times 100 \text{ householders} = 1,500 \text{ Kwh per day}$ @ 24 cents per Kwh = $\$360.00 \times 28 \text{ days} = \$10,080.00$. One thousand householders 15 kWh a day @ 24 cents per kWh = $\$3,600.00 \times 28 \text{ days} = \$100,800.00$. Not a bad profit for sitting on one's hands and doing nothing.

If we the public siphoned off electricity from the electricity companies we would be charged with theft. We would be charged, fined or gaoled, or both, and could even have our electricity turned off. We would have a police record.

Since when have our electricity companies been above the law of the land/people? Do they not have a responsibility for honest dealing with the public to whom they are supplying electricity? And do not write and tell me they need 28 days or more to connect the feed-in solar energy to the grid, they do not! Computer programmers can write programs for computer systems to do many things. Computer programs can be written so that when an inspection (and this can take up to two weeks for an inspection) has been completed they can send the information by those hand held transmitting machines (eftpos) the same way as if you had a tradesman into your home to have some work done, or the same way they used to read our meters before the smart meters were introduced. The computer

programme would then swing into its programme to activate the smart meter to monitor the solar energy entering the grid within 48 hours to 72 hours.

Also with the areas that have had the smart meters already installed the energy companies no longer employ/contact meter readers to walk around to collect the meter readings/data. The smart meters are automatically read every half hour updating the data of our bills, thus-saving on paying wages. So how much do they save on wages by installing smart meters? And how much have they already saved on wages?

We have had men on the moon.

We have 'Skype'/face to face over the internet as well as instant phone calls.

We have tradesmen with their mobile 'efpos' machine (internet) for payments for service' done.

We have mobile internet connections to pay our bills.

We have computer toll points on our freeways collecting data for our 'etag' bill.

We have unmanned military planes that fly over areas and collect data/photos.

We have emails – where would we be today without our emails?

We have Bpay, international banking, and credit/debit cards instantly.

Our police force can now read number plates and receive information if the car is registered or not, any outstanding warrants from the Sheriff's Office, and if it is stolen or not – not bad is it?

Phones that take photos and paste it on the internet media sites – face book, twitter, and emails (again).

Are computers and the internet the eighth wonder of this world?

In the Herald Sun dated September 20th 2014, page 8, by consumer reporter Karen Collier quote 'A tax ruling could mean that Victorians will have to pay tens of millions of dollars more on their electricity bills over the next decade for safer power lines in bushfire zones. Distributors Powercor and Ausnet services have won the right to pass on the combined extra cost of \$14.5million next year alone' unquote.

The Victorian Government has given a grant to these electricity companies for replacing lines and poles.

1. The Victorian People have paid their State and Federal taxes.
2. From our state taxes a grant has been given to these power companies. (As reported in the Herald Sun taxpayers will fund up to \$200million in grants to replace bare wire with underground or overhead insulated power lines.)
3. Federal Government deems it as earnings and tax is due.
4. The people of Victoria are to pay the tax as it is passed on from the electricity companies.
5. When I was working in the paid working force the tax on my earning was taken out before I received any earnings!
6. Is this a case of triple dipping?
7. Did or do the power companies have insurance for poles and lines against natural disasters of fires and floods?
8. Was there a payout on these policies? What happened to any payout? (How was it disbursed?)
9. If not insured why not?
10. Do our power companies have a maintenance or emergency savings account?

11. Do these or all power companies have a capital improvement plan or account or a future plan?
12. What are their plans for reinvesting in our electricity services?
13. Did our power companies receive any money that was raised by the generous people and business of Australia and globally for the black Saturday 11th fire storm victims and business? If so how much? AND if not why not?
14. Early 2014 there was a report in the Herald Sun Smart-meters to cost more!

Having worked in an accounts office in my younger days the company had a development and capital expenditure plan and plan to recoup this expenditure over years not in one year- what is going on? Are we Australians a soft touch - easily fleeced from our earnings and savings just to make others rich?

Do we need a Royal Commission to get to the bottom of all these “big” expenses/charges? **And** the running of our electricity companies?

Power companies employ people. Business also employs people.

General businesses also upkeep their machinery and equipment. A good business has a forward plan and planning for replacement of equipment. I do have a concern with coal mine equipment. It was reported that old firefighting equipment was sold or scrapped. When there was a bush fire in the Latrobe Valley and it invaded a coal mine field and took hold there was no equipment at hand to fight this fire. Has the power company replaced this equipment? If not do they intend to? Do the power companies running our electricity manufacture truly understand our country’s conditions and dangers? It feels like they are learning the hard way.

I have just recently received a letter notifying us that our Feed – in Tariff is to be **reduced** from 8c/kwh to **6.5c/kwh**!!!!!!!!!!!!!!

Is this not ‘abuse’ of the good will of the Victorian Government and the People of Victoria?

When the Essential Service Commission Victoria (ESCV) is approach by our electricity suppliers for a raise in costs what redress do we the customers have? Are we the customer approached by ESCV for any consultation with us - the general public or business?

Hello, not again! Herald Sun January 25, 2015 ‘Power bills get new slug’ by John Rolfe, page 7, quote “Two Distributors have revealed their plans for peak demand charges under new “COST REFLECTIVE” pricing which will be mandatory in 2017” unquote. Whoever came up with this idea and whoever passed it should be hanging their heads in shame!

It just feels like take, take, take, take, and take!!

Cost of current electricity is (anytime) 0.24300 per kWh
Feed-in tariff -0.06500 per kWh
Difference 0.1780 by 100 householders = \$17.80 per day per one kWh
by 1000 householders = \$178.00 per day per one kWh
100 householders \$17.80 by 365 days = \$ 6,497.00 per kWh (one kWh)

1000 householders \$178.00 by 365 days = \$64,970.00 per kWh (one kWh)

100 householders - 15 kWh per day @ \$0.1780 = \$267 by 365 days \$97,455.00

1000 householders - 15 kWh per day @ \$0.1780 = \$2670.0 by 365 days = \$974,550.00

15 kWh per day @ \$0.1780 = \$2.67 by 25,000 householders = \$66,750.00 by 365 days = \$24,363,750.00

15 Kwh per day @ \$0.1780 = \$2.67 by 50,000 householders = \$133,500.00 by 365 days = \$48,727,500.00

Then there is office building, hospital, nursing homes/aged care, factories, farms, sporting venues and schools to add to this also.

I realize that not every day solar panels are making 15kWh's every day. During summer my 12 panels can make up to 19 kWh's and in winter can get as low as 3 kWh's. Other householders can have 4, 6, 8, 9, 10, 18, 20 panels or more on their roofs. I have worked on 15 kWh's per day. I also realize that I am also using some of this solar energy before it goes into the grid. It does not lessen the fact that solar energy is not fully being paid for!

So, what are the electricity companies doing with this 'bonus'?

Since the feed-in tariff was reduced below the energy charges for coal produced electricity how much have our electricity companies made with this 'bonus'?

It has taken me twelve months, on and off, to write this letter, and thank God it has, for it has really brought home to me just how much the electricity companies are going to the 'watering trough'.

Thank you for taking the time to read my letter.

Yours sincerely,

Christine Kennedy (Mrs.),
Housewife.