Submission by

Alternative Technology Association

on

Statement of Approach:
AER Price Comparator Website

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By Email to: AERinquiry@aer.gov.au

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1.0 Introduction

The Alternative Technology Association (ATA) welcomes the opportunity to respond to the *Draft Statement of Approach - AER price comparator website* (the Draft Approach).

ATA is a national community-based, not-for-profit organisation representing consumers in the renewable energy and energy efficiency marketplace. The organisation currently provides service to approximately 6,000 members nationally who are actively engaged with small, medium and large scale renewable energy projects, energy efficiency and the national electricity market.

2.0 Feed-in Tariffs

2.1 User Input for Solar Feed-in Tariff Comparison

ATA supports the AER's decision to include an option for consumers with solar photovoltaic (PV) systems to compare solar offers in the Draft Approach (section 3.1.2).

However more information is required to ascertain whether this approach will result in a website that allows the direct comparison of feed-in tariff offers along with their associated retail electricity offers (i.e. for electricity consumption or 'import').

The National Energy Retail Law states:

> *"The purpose of the price comparator is to assist a small customer to compare the standing offer price available to that customer, and market offer prices that are generally available to classes of small customers".*

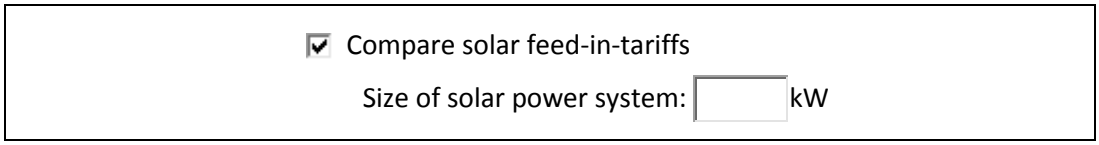
ATA are concerned that, in the absence of a mechanism for calculating the feed in tariff component for the significant number of customers with solar PV systems, this purpose will not be achieved.

As outlined in ATA's submission to the *Issues Paper*, there is a rapidly expanding segment of electricity consumers with solar PV, estimated to represent more than 16% of owner-occupier houses by 2013[1]. Currently these consumers do not have access to simple, independent and impartial tools to compare market offers highlighting both feed-in tariffs and retail consumption tariffs, bundled together.

The minimum information requirements for these consumers would be achieved by providing one simple additional input, to the user information section of the price comparator website, to require consumers with solar PV to input their solar system size in kilowatts (kW). This could be of the form shown in **Figure 1** as an example:

[1] (ACIL Tasman (2010), *Small-scale technology certificates data modelling: projected take up of small-scale renewable technologies over calendar years 2011 to 2013)*

Figure 1: Simple user input for solar power installation information



ATA's previous submission outlined how the size of the solar system entered can be used to estimate the amount of electricity that would be exported to the grid. The relevant section of ATA's submission to the Issues Paper is included in **Appendix A** to this submission.

ATA note that this addition to the price comparator is less complex and more accurate than the methods required to estimate consumption based on household information, and would ensure that the electricity and metering arrangement of approximately one in six owner-occupier houses is not excluded from the price comparator website.

2.2 Display of Solar Offers available to the User

ATA welcomes the mention of 'solar offer filters' in the Draft Approach, although there is no indication of how these offers will be presented in detail.

The ATA recommends that the solar power feed-in tariff rate is included in the presentation of the offer information. An example of how solar offers may be presented, based on the example given in the Draft Approach, is shown in **Table 1**:

Table 1: Suggested Presentation of Solar Power Offers

Retailer Plan (offer)	**Tariff rates (inc. and exc. GST)**	**Incentives and special features (financial and non-financial)**	**Contract terms and conditions (fees include GST)**	**Estimated annual cost (includes GST)**
Retailer A Energy Saver ***Energy Price FactSheet link***	**First 1750 kWh per quarter**: · 17.35c per kWh (exc. GST) · 19.08c per kWh (inc. GST) **Balance:** · 25.5c per kWh (exc GST) · 28.05c per kWh (inc. GST) **Daily supply charge**: · $0.430 per day (exc GST) · $0.473 per day (inc GST) **Feed-in Tariff Offer:** · 24.3c per kWh exported	· 12 month magazine subscription · Green power option **Non-conditional discounts:** · Guaranteed 7% off standard offer rates including supply charge **Conditional discounts:** · 5% discount for bill paid on time	· 2 year fixed term contract · Early contract termination rates: · Year 1: $100 · Year 2: $70	**$1435 per annum** $1335 per annum including non-conditional discounts* $1263 per annum including non-conditional and conditional discounts* $1087 per annum including $348 income from solar power system #

				* Refer to the incentives and special features column for the discounts included in these cost estimates. # Assumes that **% of electricity is exported to the grid. Note that actual electricity costs and income from solar PV system are estimates and depend on the actual amount of electricity exported into the grid.

The **% solar export figure at the bottom of the last column would be drawn from the calculations provided in **Appendix A**.

3.0 GreenPower Presentation and Filtering

The ATA supports the Draft Approach in relation to the presentation of GreenPower options – with each GreenPower option being presented as a separate offer.

In relation to filtering, ATA supports the recommendation in the Draft Approach of filtering using ranges of GreenPower percentages, such as:

- No preference *[No filtering on GreenPower]*;
- 10% to 25% GreenPower;
- 25% to 50% GreenPower; and
- 50% to 100% GreenPower.

In this way the consumer has the ability to compare similar options in relation to their GreenPower percentage.

4.0 Further Contact

Thank you for the opportunity to again submit to this process and please do not hesitate to contact us at Dominic@ata.org.au or on (03) 9631 5406 should you have any questions regarding the content of this submission.

Yours sincerely

Dominic Eales
Energy Analyst and Advocate

Appendix A

Calculation of Exported Energy & Net Annual Cost for Solar PV Consumers

A.1 Estimation of Exported Energy

Using the size of the solar panel system in kilowatts (kW), it is possible to estimate the annual energy exported from the solar panel system. The average annual energy exported by a solar panel system is approximately linearly correlated with the size of the solar panel system in kilowatts. The linear relationship depends on two parameters: A and B.

Annual Energy Exported in MWh = A x *(System size in kW) + B*

Based upon a recent study from PV systems in NSW[2], ATA suggests indicative values of A and B as:

A = 1.4
B = -1.75

A.2 Total Estimated Cost with Feed-in Tariffs

The total estimated cost is then calculated based on the annual energy consumption, as entered by the user or estimated by the website, and the exported energy to the electricity grid.

The cost due to energy consumed would be calculated in the same way as for all other retail market offers, using the consumption tariff associated with the FiT offer search result.

The income due to the exported energy would be calculated using the *Annual Energy Exported in MWh* multiplied by the FiT rate associated with the FiT offer search result.

The total final estimated cost would be the difference of these two values:

Total Estimated Cost = (Estimated Cost due to Energy Consumed) – (Estimated Income from Energy Exported to Grid)

Note that this method of estimation operates under the assumption that the data entered by the website user represents consumption data during a time when solar panels have been already installed.

[2] AECOM Australia Pty Ltd, "Solar Bonus Scheme, Forecast NSW PV Capacity and Tariff Payments", October 2010. http://www.dtiris.nsw.gov.au/__data/assets/pdf_file/0016/360142/AECOM-REPORT-for-Solar-Bonus-Scheme-Review.pdf

For the situation where this is not the case, or when the website has calculated the consumption of the user using supplementary questions, refer to Section A.3 for a simple method of calculating the total generation of a solar panel system based on the user's postcode and the size of the solar panel system in kilowatts.

A.3 Simple method for estimating the energy generated by a solar system

Using the postcode entered by the user, it is possible to look-up the corresponding zone for renewable energy generation as specified by the Office of Renewable Energy Regulator (ORER)[3].

With the ORER zone rating, associated with each ORER zone, and the size of the system in kilowatts, it is possible to estimate the amount of energy generated by a solar panel system during one year:

Postcode → *ORER zone* (by look-up)

ORER zone → *ORER zone rating* (by look-up)

Annual Generation in MWh = (ORER zone rating) x *(System size in kW)*

This is the same method used by ORER when finding the number of Small-scale Technology Certificates (STCs) to apply to a solar panel system under the Federal *Renewable Energy Target* scheme.

[3] ORER zones and zone ratings: http://www.orer.gov.au/publications/pubs/sgu-stc-calculations-0311.pdf