

**From:** Jack Gilding [mailto:jack.gilding@backroad.com.au]  
**Sent:** Friday, 10 March 2017 2:25 PM  
**To:** 'Bruce, Angus (ESCOSA)'  
**Subject:** comments on the proposed ESCoSA R-FiT monitoring regime

Dear Mr Bruce

Thank you for the opportunity to comment on ESCoSA's proposed R-FiT monitoring regime.

As you will be aware from our submission of 16 September 2016, we believe that SA should continue to provide a state-wide regulated minimum FiT.

In relation to the proposed monitoring scheme we attach for your information a summary fact sheet based on detailed research on retail offers in the NEM to solar and non-solar customers conducted in 2015. As you will see, there are a variety of ways in which retailers discriminate against solar customers, with the result that solar customers can pay hundreds of dollar more than non-solar customers for purchasing the same amount of electricity from the same retailer. This discrimination can be far more significant than the amount received as a feed-in tariff.

We urge ESCoSA to ensure that their monitoring regime is structured to identify any such discrimination.

Please contact me if you would like more detail on the methodology behind this research which I conducted for the Total Environment Centre.

Your proposed monitoring regime states that R-FiT "information may be published in the price fact sheets that are required for each of a retailer's electricity offers". It is important that publishing this information in the price fact sheet is obligatory rather than optional. Consumers should not have to go to multiple locations to find all the relevant information to compare offers.

In assessing the adequacy of R-FiTs it is important that they take into account all savings to retailers from distributed generation (for example reduced NEM fees) and not just the wholesale value of the energy.

Yours sincerely

Jack Gilding

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Jack Gilding

Director, Backroad Connections Pty Ltd

**From:** Bruce, Angus (ESCOSA) [mailto:Angus.Bruce@escosa.sa.gov.au]  
**Sent:** Friday, 10 February 2017 11:44 AM  
**To:** [jack.gilding@backroad.com.au](mailto:jack.gilding@backroad.com.au)  
**Subject:** Do you have comments on the proposed R-FiT monitoring regime?

Dear Mr Gilding,

Following the decision by the Essential Services Commission of SA to cease setting a minimum R-FiT from 1 January 2017, the Commission stated that an R-FiT monitoring regime would commence in 2017, as outlined below.

The monitoring regime should ideally, be consistent with the indicators used to make the Commission's assessment on ongoing regulatory arrangements. However, if you have any ideas for proposed refinements or changes, please advise the Commission by **Friday, 10 March 2017**. Following this, the Commission will publish on its website, the R-FiT monitoring regime.

## 5.1 Monitoring regime

The Commission will consult with key stakeholders before finalising the format of the monitoring regime. However, the proposed initial format is as follows.

The information collected through monitoring will include:

- ▶ comparison of the range of R-FiT prices available and any product and price differentiation implemented by retailers (each retailer's R-FiTs will be published at least annually).
- ▶ comparison of offers available to solar customers with those available to non-solar customers, to check that solar customers are not being unfairly discriminated against.

These two measures are most relevant to analysis of the solar market. Information on customer switching rates will not be included as it is difficult to draw any conclusions from switching rates (high switching rates can be seen as indicative of healthy competition or customer dissatisfaction).

Relevant data will be collected quarterly, and analysis will focus on trends rather than point-in-time outcomes, consistent with the nature of the competitive process.

Monitoring results would be publicly available, and published on the Commission's website, possibly as part of the annual energy price-monitoring report.

In addition, the Commission will ensure that retailers publish information that clearly discloses the R-FiTs that are available, to assist solar customers in making choices between electricity offers. This information may be published in the price fact sheets that are required for each of a retailer's electricity offers. The Commission will consult on the details of the disclosure requirements as part of its consultation on the R-FiT monitoring and reporting regime in the first half of 2017.

## 5.2 Trigger points to re-establish R-FiT price regulation

As the Commission will focus on trends, a single quarter's data may alert the Commission to a potential issue, but a consistent pattern will need to be established.

Potential trigger points include:

- ▶ No access for solar customers to an R-FiT which reflects the average wholesale cost of power at the relevant NSLP over the previous three months. (Note that not every offer will reflect this, but solar customers should, within the mix of offers available, have the choice.)
- ▶ Lack of access for solar customers to offers with discounts similar to those available to non-solar customers.

The Commission will provide the opportunity for stakeholders to comment on this market monitoring, which will be included in the Commission's annual report on movements in energy retail prices, published by 31 August each year.

Kind Regards,

Angus Bruce  
REGULATORY ANALYST



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## What price solar?

You sometimes make more solar energy than you use at home. If you're not eligible for one of the old government feed-in tariffs, what should you do with the extra energy?

Selling it to your electricity retailer is the obvious answer. The table on the next page, compiled by the Total Environment Centre, will tell you which retailer is offering the best price, and whether your state or territory government sets a minimum price they have to pay you.

Getting the best deal from retailers is going to be especially important as nearly a quarter of a million solar households come off government feed-in tariffs at the end of 2016. With most retailers offering only between five and eight cents per kilowatt hour - while you might be paying over thirty cents for the energy you buy back from the same retailer when the sun isn't shining - you might feel ripped off unless you shop around.

But don't just look at the solar export price you are offered. To understand which retailer is best for solar customers, you need to calculate the annual bill you might get from them as well. Some retailers offer high export prices but then charge solar customers more for the energy they consume, or don't offer them the same level of discounts, for instance for paying their bills on time.

That's a lot of work, but TEC has done much of it for you. The table on the next page also compares retailer offers for solar and non-solar customers, and highlights in red the ones that charge solar customers more.

The other thing you can do to extract the most value from your solar energy is to use more of it at home. There are a few ways to do this:

- Instead of exporting to the grid during the day and importing from it in the evenings and early mornings, try to use as much energy as you can while the sun is shining.
- If you are putting in new solar panels, face them to the north-west or west so they are producing energy in the late afternoon when you or your kids get home and start cranking up your energy use.
- Now that small batteries are becoming affordable, think about whether you would save money by installing one to store energy during the day for use at night (especially if you are on a tariff that costs you more for evening consumption).

Most electricity networks and some retailers are discriminating against solar households in other ways, too:

- Forcing consumers onto more expensive tariffs when they connect solar.
- Increasing fixed daily charges.
- Banning the export of solar energy for systems above 5 kilowatts (in Queensland especially).

These companies generally see solar as a threat to their existing business model. You can fight back not only by getting the best deal and using more of the energy you make at home, but by supporting the work of TEC, Solar Citizens and other solar advocacy groups to protect your rights as solar consumers.

*For more information about the greenest (and dirtiest) retailers, go to [www.greenelectricityguide.org.au](http://www.greenelectricityguide.org.au).*

### The very fine print

This information was current on 1 October 2015. This fact sheet is intended to provide general information. In choosing an electricity retailer please consider your own needs and objectives and look at the print in offers from different retailers.

In the table, a red cell indicates solar households will be worse off by at least \$100 per year. The single green cell is the one case we could find of solar customers being better off.

We used the Energy Made Easy website for NSW, Queensland, South Australia and Tasmania and state regulator websites for other jurisdictions to find the cheapest offers and then compared to see if the same prices and conditions were available to both solar and non-solar customers. We used an estimated power consumption for a three person household in the capital city without natural gas and without a swimming pool. We looked at plans with a single rate tariff (ie no off peak and no time of use tariffs) because these are easier to compare. Costs between states are not directly comparable because the estimated consumption varies between locations. However, costs between solar and non-solar plans should be comparable and a guide to whether the plans are discriminatory because they are based on the same amount of purchased electricity.

This data was compiled and presented with the help of a grant from Energy Consumers Australia.

State or territory + retailer	Govt mandatory FITs & solar export prices for new customers	Difference in annual estimate with ALL conditional discounts (inc GST)			Price difference or other discrimination against solar customers
	cents (exc GST)	Non-solar	Solar	Diff	
<b>ACT</b>	0				
ActewAGL Retail	7.5	1,790	1,790	0	Same offer applies to solar and non-solar
EnergyAustralia	0	1,739	1,889	+150	Pay on time discount: 12% non-solar, 3% solar
Origin Energy	6.0	1,695	1,695	0	Same offer applies to solar and non-solar
<b>NSW</b>	0				
AGL	5.1	1,505	1,707	+202	Terms and tariffs same but bigger discounts for non-solar
Click Energy	10.0	1,694	1,944	+250	Daily and kWh charges higher for solar. Discounts lower for solar (7% vs 17%).
Cova U	0	1,598	1,598	0	Same offer applies to solar and non-solar
Diamond Energy	8.0	1,915	1,915	0	Different plans for solar and non-solar but no price difference
Dodo Power & Gas	5.0	1,724	1,724	0	Same offer applies to solar and non-solar
EnergyAustralia	5.1	1,633	1,750	+117	Hard to compare. 18% pay on time vs lower c/kWh + \$50 credit off first bill.
Lumo Energy	5.0	1,729	1,729	0	Same offer applies to solar and non-solar
Momentum Energy	0	1,797	1,834	+37	Direct debit discount not available on solar plan
Origin Energy	6.0	1,636	1,636	0	Same offer applies to solar and non-solar
Powerdirect	7.7	1,684	1,910	+226	Pay on time discount: 20% non-solar, 7% solar
Powershop Australia	6.4	1,618	1,628	+10	Minimal difference - reason unclear
Red Energy	5.0	1,729	1,729	0	Cheapest plan is available to solar and non-solar
Simply Energy	-	1,654	-		No offer to solar customers
<b>NT</b>	0				
Jacana Energy	26.9	2,009	2,009	0	Same offer applies to solar and non-solar
<b>QLD</b>	6.4 (Ergon only; no FIT in SEQ)				
AGL	8.0	1,672	1,806	+134	Combined 10% discounts for non-solar but not for solar
Click Energy	6.0	1,685	1,713	+28	Bigger discount (15% solar vs 9% non-solar) does not offset higher rates on average bill
Diamond Energy	8.0	1,698	1,698	0	Different plans for solar and non-solar but no price difference
Dodo Power & Gas	4.0	1,647	1,647	0	Same offer applies to solar and non-solar
EnergyAustralia	6.0	1,672	1,766	+94	Pay on time discount: 10% non-solar, 3% solar
Ergon Energy (Qld regional only)	5.8	2,147	2,147	0	Same offer applies to solar and non-solar
Lumo Energy	6.0	1,746	1,746	0	Same offer applies to solar and non-solar
Origin Energy	6.0	1,646	1,646	0	Same offer applies to solar and non-solar
Powerdirect	6.0	1,672	1,806	+134	Pay on time discount only for non-solar
<b>SA</b>	5.3				
AGL	5.3	1,707	1,936	+229	Combined 24% discounts for non-solar, 12% for solar
Alinta Energy	9.6	2,007	2,401	+394	Lower daily charge and 20% pay on time discount for non-solar
Diamond Energy	8.0	2,216	2,216	0	Different plans for solar and non-solar but no price difference
Dodo Power & Gas	6.0	1,975	1,975	0	Same offer applies to solar and non-solar
EnergyAustralia	5.3	1,891	2,056	+165	Consumption cheaper for non-solar after discount
Lumo Energy Australia	6.0	1,925	1,925	0	Same offer applies to solar and non-solar
Momentum Energy	5.3	1,978	2,019	+41	Discount not available on solar plan
Origin Energy	5.3	1,971	1,971	0	Same offer applies to solar and non-solar
Pacific Hydro	-	2,251	-		No offer to solar customers
Powerdirect	8.0	1,888	2,020	+132	higher pay on time discount for non-solar
Red Energy	-	2,426	-		No offer to solar customers
Simply Energy	6.2	1,848	1,903	+55	Higher daily charge for solar
<b>TAS</b>	5.5				
Aurora Energy	5.5	2,831	2,831	0	Same offer applies to solar and non-solar
<b>VIC</b>	6.2 (5.0 in 2016)				
AGL	8.0	1,650	2,110	+460	Combined discounts: 38% non-solar, 15% solar
Alinta Energy	8.0	1,810	2,220	+410	Lower prices but no 30% pay on time discount for solar
Click Energy	10.0	1,880	2,100	+220	Lower discount on solar for pay on time and online bills
Cova U	-	1,750	-		No offer to solar customers
Diamond Energy	8.0	1,680	-	0	Different plans for solar and non-solar but no price difference
Dodo Power & Gas	8.0	1,750	1,960	+210	Lower pay on time discount for solar (20% vs 30%)
EnergyAustralia	6.2	1,690	1,980	+290	Pay on time discount: 35% non-solar, 20% solar
GloBird Energy	6.8	1,668	2,034	+366	Pay on time + direct debit discount: 28% non-solar, 11% solar
Lumo Energy	6.5	1,730	1,730	0	Same offer applies to solar and non-solar
Momentum Energy	6.2	1,720	1,760	+40	Not clear why there is a small difference in annual estimate
Origin Energy	6.2	1,750	1,750	0	Same offer applies to solar and non-solar
Pacific Hydro	-	2,250	-		No offer to solar customers
People Energy	-	1,890	-		No offer to solar customers
Powerdirect	8.0	1,810	2,110	+300	Lower pay on time discount for solar (15% vs 30%)
Powershop Australia	6.4	1,530	1,530	0	Same offer applies to solar and non-solar
Red Energy	6.5	1,770	1,680	MINUS 90	Pay on time discount higher for solar (10% vs 5%)
<b>WA</b>	fair and reasonable				
Horizon Power	7.1 to 51.4c	1,771	1,771	0	Same offer applies to solar and non-solar
Synergy	7.1	1,771	1,771	0	Same offer applies to solar and non-solar