

- 6 DEC 2011

DATE RECEIVED

*Electricity Charges 06*

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December 3, 2011

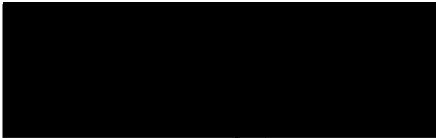
**Attention: Carola Hofmann, Executive Support Officer**  
**Subject: QCA – Regulated Retail Electricity Prices for 2012-13**  
– **Draft Methodology Paper**  
– **Submission prior to December 9, 2011**

1. I have read the Draft Methodology Paper and notice that there appears to be no consideration on the impact of any increase in fixed service charges on the viability of domestic solar power installations.
2. The present daily service charge is about 22 cents per day, and this amount was able to be factored in when deciding on the viability of installing solar power installations. If changes are made to the pricing structure which result in an increase in fixed service charges which are not related to actual power consumption, then the viability of already installed systems and future systems, will be adversely influenced.
3. The Honourable Stephen Robertson, MP in his letter of July 12, 2011 assured me that *"the steps you have taken to reduce your energy consumption will benefit you under the new pricing structure."*
4. Increasing fixed charges will also be counter productive to the encouragement of the Commonwealth Government's Renewal Energy Target Commitment of at least 20% of Australia's energy from renewable resources by 2020, and in fact, would prove to be a disincentive for the installation of small scale systems including solar panels and solar hot water heaters. (Refer Minister for Climate Change and Energy Efficiencies, Greg Combet – Reference C11/7627, September 27, 2011.)

2.

5. If the thousands of household solar generating installations stakeholders are required to pay more in fixed service charges than at present, then the entire value of the difference between the present level of fixed service fee and the new service fee will be coming from the incentives provided by the Commonwealth Government, and flowing through to the energy providers. The small solar systems will be subsidising the electricity providers with their capital investment and their solar installations.

Yours faithfully



Alan Telfer

*Posted: 2 copies of this letter and a disc*