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## Network charges for small scale solar producers are unjustified price gouging

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Firstly, the debate regarding a fair price for solar power exported to the grid contain a large assumption which is not supported by how the system works.

It is frequently argued that home producers of solar power are freeloading on the network system (poles and wires) and consequently they should be paid a lower price per kwh. This argument contains a serious error of fact:

The exchange of ownership of solar power exported from homes takes place inside the smart meter which is on the homes of the producer. Power is then owned by the retail company which buys the power. It is this power which then uses the network. As a home owner with a PV solar system on our home I do now own any power which uses the network. Given that solar power produced on one home will be used very locally then any network charges for solar power should be much lower than power transmitted from 100s of kilometres away.

Secondly, there needs to be very clear differentiation between the network owners and retail companies. At the moment is appears that the process of determining a fair price for PV power is being gamed by both of these participants in energy market, perhaps a cartel arrangement, resulting in market failure and price manipulation. What confidence can solar power exporters have that cartel behaviour is not occurring in the pricing of solar power exported to the grid?

The third point is that there is no reason for the government to be subsidising payments for solar power exported to the grid. What is required is that the retailers who buy solar power pay a fair price. The fair price should at least be the wholesale price which is used to determine the price for domestic consumers (not Alcoa size businesses) plus a premium for "green energy". All domestic consumers who buy green energy pay a premium. It is reasonable to pay most of this premium to households otherwise what is the justification for charging consumers the premium? If green energy is only worth 5 c/kwh then why has the retail price for green power not fallen substantially from about 25 c/kwh?