

Feed in Tariff Considerations

My initial first impressions are.

It seems to me that the proposal is addressing the minnow and not the whale and missing the real challenges and opportunities.

1. The problem is the high cost of electricity charged by the Retailers during the day which restricts demand and economic transfers.

Yes the value of energy during the late morning and early afternoon is low , mainly due to solar, so one should try and transfer / increase demand to this cheap source. This would have beneficial economic impacts as it would reduce overall electricity expenditure but also favourable environmental impacts as it would transfer usage from fossil fuel based power to more renewable energy.

2. The Health impacts could also be significant again due to this transfer. Its valuation may be debatable but I've noted that some US Health Authorities are suggesting over US\$100 / tne CO2e (say 12 Aus c/kWh) which is highly significant and shouldn't be dismissed.

3. Having a more distributed system should lead to a more stable grid overall. Yes one would need much more monitoring and some additional buffers but the impact from major adverse events could be substantially reduced. The grid costs should be lower as the shifting of power long distances should be able to be reduced, the overall capacity maintained at a lower level and would make use of spare local capacity at zero marginal cost during the day.

4. The return for moving demand should be encouraged (I remember doing this for cooling warehouses by maximising the cooling during periods of low tariffs many years ago) and there are huge opportunities to do this and not just be batteries and storage devices arbitraging between rates daily. Electric vehicle charging would be an obvious potential significant opportunity whilst the major Charging suppliers have currently only incorporated minor differentials in their pricing structures.

5. The concept of power having no value needs to be treated carefully as it can be easily misinterpreted. The key economic and environmental basis is to reduce the use of expensive and polluting fossil fuel sources so it's the transfer of usage which is key.

6. The proposal seems to expand only the views of a small number of Suppliers and does not take any real input from consumers and their considerations. It is also only considers very short term events and the longer term development of the system are not given much consideration.

6. It is important to develop the options rather than treat one symptom