



31 May 2013

Hon Campbell Newman, Premier
PO Box 15185
CITY EAST QLD 4002

Cc: Hon Mark McArdle, Minister for Energy and Water Supply
PO Box 15456
CITY EAST QLD 4002

Via email at: thepremier@premiers.qld.gov.au & EnergyandWater@ministerial.qld.gov.au

Dear Premier Newman,

Solar energy use is growing in Queensland. Over 300,000 Queensland families now have solar on their rooftop, together they have invested over \$2.2 billion in solar to cut energy bills and create cleaner power. Many of these installations were encouraged by previous and current state governments.

We are writing to you because we understand that, based on recent recommendations of the Queensland Competition Authority, your Government is considering a proposal to charge new penalties on solar homes. *The Australian* (25/5/13) reports that Mr McArdle is preparing a major submission to Cabinet within a month recommending more user-pay charges for solar.

We are deeply concerned that the recommendations of the Queensland Competition Authority are flawed and deliberately discriminating of solar owners, with no analysis of other drivers of rising energy costs.

As such, we are enclosing with this letter a number of questions that we would like you to respond to. **We ask that you please respond with the answers to the attached questions before 19 June.**

We are concerned that if the Queensland Government were to adopt the Authority's recommendations as proposed, it would unfairly penalise those families and small businesses that have invested their own money in rooftop solar.

As electricity prices continue to rise, growing numbers of Queenslanders are choosing to go solar as the best way to reduce their energy bills. Rather than penalising solar owners the Queensland government should be helping all Queenslanders get access to cleaner, cheaper power from the sun.

We're currently communicating with our rapidly growing membership and the media about this letter and the actions your Government is proposing. We'll be reporting back on your response to the attached questions by following close of business on Wednesday, 19 June.

Most Queensland solar owners are living in the mortgage belts of Brisbane, in regional centres and rural communities. They are predominantly middle-low income families and small businesses working to ensure a cheaper, cleaner and more secure energy future. As politicians elected by these Queenslanders, we ask that you do your part to ensure no penalties to solar owners who are trying to do the right thing.

Kind regards,

Dr Geoff Evans
Manager, Solar Citizens

Attachment: Questions for response



Questions for response by 19 June 2013:

1. Many Queensland families and small businesses purchased their solar panels on the basis of Government incentives and on the assumption that the fees and tariffs prevailing at the time of purchase would continue. If you were to now change the tariff as per the QCA recommendations, how would you justify that this was not a breach of faith from the Queensland government?
2. According to clause 6.18.4 of the National Electricity Rules (NEM), it is illegal to treat customers with less micro generation less favourably than other energy consumers (a point acknowledged by the QCA). Given this, do you acknowledge that proceeding would be in breach of the NEM rules?
3. Analysis of the data on solar ownership shows that ownership is concentrated amongst low-to-medium-income households in regional and outer metropolitan areas.² Analysis of the impact of shifting solar homes to a higher fixed charges tariff would impose an annual cost of \$210 on those homes, specifically singling them among all electricity consumers.³ Given this, how would you ensure that imposing additional costs on solar homes, would not unfairly target low-to-medium-income families that have invested in solar to manage rising energy bills?
4. Renewable energy is a small component of total domestic energy bills - 7% compared with network costs of 47% according to the QCA. The costs to upgrade the network to accommodate air conditioners are estimated to be \$7,000 per air conditioner (or \$10/hour of use), and are a far larger cost to all energy consumers than solar.⁴

Why then is the Government discriminating against solar rather than focussing on how to minimise general network upgrade costs? How will you convince solar owners the Government is not unfairly scapegoating them for an issue that has in fact been cause by years of over-investment the energy grid?

5. In December 2012 the Queensland Energy Minister Mr McArdle 2012, announced that "there will be no fixed charge of any sort on people using solar"⁵. Do you acknowledge that now introducing a new charge would be a direct contradiction of the Minister's commitment?

Please respond to:

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Ultimo, NSW 2007
Via email at: info@solarcitizens.org.au

¹ <http://www.theaustralian.com.au/national-affairs/solar-price-rise-to-end-power-divide/story-fn59niix-1226650277855>

² REC Agents Association: <http://www.recagents.asn.au/wp-content/uploads/2012/09/Research-note-3-Geographical-Summary-Sep-2012-Final.pdf>

³ Johnston: <http://www.businessspectator.com.au/article/2013/5/27/solar-energy/queenslands-disguised-200-hit-solar-owners>

⁴ <http://reneweconomy.com.au/2012/why-you-are-paying-10hr-to-run-your-neighbours-air-con-21376-governmentbackdown/story-e6frg6n6-1226530797671>

⁵ <http://www.theaustralian.com.au/news/solar-users-force-newman-government-backdown/story-e6frg6n6-1226530797671>