



Australian Power & Gas
Simply smarter energy

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Feed-in Tariff Secretariat
Department of the Environment, Climate Change, Energy and Water
GPO Box 158
Canberra ACT 2601

By email : DECCEWfeedintariff@act.gov.au

22nd March 2009

Dear Sir/ Madam

**Re: OPTIONS FOR AN EXPANDED ACT ELECTRICITY FEED-IN TARIFF SCHEME,
DECEMBER 2009**

Australian Power & Gas wishes to comment on the above paper, in particular the proposal for shared community-owned generating sites to overcome inequity of access to the feed in tariff scheme.

Do you think access to the Scheme should be extended to community - owned generation sites?

Australian Power & Gas believes such an arrangement would be difficult for retailers to administer and could significantly increase administration costs.

Retailers at present may credit earnings from generators against electricity supply charges. A community-owned generating site would either remove this or complicate it and make administration costly, particularly with billing system enhancements and additional manual calculations. Moreover, for a national retailer, such a scheme would place ACT even further from other jurisdictional arrangements and this lack of consistency would add to the cost of billing system enhancements.

A retailer would need a retailing relationship with the facility's individual owners for the generation earnings to be credited against their own individual domestic sites' use. Complications in calculating the earnings split would arise if:

- owners of the community generator are with various retailers,
- the ownership mix changes frequently, including mid-billing cycle (such as with tenants moving in and out of properties),
- the ownership grows or declines mid-billing cycle (though this could be mitigated if a limit on ownership numbers was imposed), or
- owners move outside the jurisdiction

Further, potential costs could arise with added complexity to the agreement structure and whether this would be with a single entity or various counterparts in contract with the retailer.



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Conceptually, a way to overcome these issues would be for the retailer to have a single entity in which to contract with and generation earnings would be split by that entity, through its own administration. However, without a relationship for retail supply, such a facility would operate similarly to any larger scale embedded generating unit and a retailers' incentive to purchase from the community generator would be weighed against the opportunity cost of other supply options.

If you have any queries on the comments above, please contact me.

Yours sincerely

Elizabeth Hawker

Regulatory and Compliance Manager Victoria