

To the AEMC:

It is very important that customers are given information regarding any potential tariff change that could be applied, or any other damages that could be sustained as a result of adopting solar or any other off-network upgrade (eg load control) before any contract is signed, deposit is paid, or work is started. Ideally the customer should be warned at the first point a salesman has enough information to check with the distributor. Under current policies and practices, my community sports hub spent many volunteer hours vetting about 20 potential pv installers. None of the committee members considered the possibility that a tariff change could be forced upon us, nor that the change would be so damaging. I personally believed the club was protected by the Rules and by the AER's final decision, and that those regulations protected small customers from being penalized for uptake of efficient technology.

It was only through a friend of the club that we were tipped off to ask SA Power Networks ("SAPN") about the situation. We received advice from SAPN that the club would be forced to change tariff as a direct result of installing solar power, and the new tariff (VLVS) would cost approximately \$8,800 more than the 2-rate tariff it is currently on (assuming retailers pass along the true tariff costs). I did some calculations to factor in the diminished value of offset consumption, and if the club were to install a small 10kw pv system, the price of VLVS would be approximately \$12,000/yr more than on business 2-rate. Considering the value of 10kw is only about \$4,000/yr in total, the ROI is negative. To be clear, if the club installed solar panels, it would pay approximately \$8,000 *more* in tariffs per year than it currently pays without solar. After a very sincere but failed attempt to negotiate with SAPN, the project had to be scrapped until tariff issues can be resolved.

I believe the solar salesmen when they followed up, telling me they never expected the club to face this problem. From the club's bills, our energy use is like any other small business. 60% peak vs 40% off-peak raises no flags, nor does consumption in the low 2nd-tier (well below 160 mwh/yr, the definition of "small customer" in the legislation). Only direct contact with SAPN identified this issue, and in our case only after many wasted hours.

Customers need to know at the first contact with salespeople that upgrades to technology could result in damaging tariff changes. If there are tariff options, a customer should be notified they may be better off on a different tariff. This would require communication between the salesperson and distributor to determine which tariff the customer is presently on and which tariffs the customer may choose from given the expected consumption after upgrade.

Thank you for this important amendment that helps to raise customer awareness of tariff issues.

John Herbst

Lakes Sports and Community Club Solar Panel Subcommittee