



## Property Owner's Association of NSW Inc.

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To: The Independent Pricing and Regulatory Tribunal (IPART)

Submission on:

### **Solar feed-in tariffs issues paper**

#### **The value of electricity from small-scale solar panels in 2018-19**

on behalf of the:

Property Owners Association of NSW.

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Thank you for your invitation to make a submission on the issues paper for solar feed in tariffs.

The Property Owners Association of NSW (POA NSW) was formed in 1950 to represent residential rental property owners in NSW. The issues associated with the energy and services for housing are topics constantly being discussed within the association. Solar

energy is a dynamic subject with technology and application constantly changing. In early stages solar systems were almost exclusively located on owner occupied dwellings however due to many factors solar systems are now on all types of residential housing.

The uptake of solar systems continues at a rapid rate on homes, businesses and community buildings. According to Energy Matters we now have in NSW about one in six homes with some form of solar energy.

Systems vary from very simple to highly complex. Some systems cover groups of homes, multi dwelling buildings and mixed use buildings.

The cost price, operating cost and maintenance costs are highly variable and the production of power is certainly not uniform.

The relationship of the premises occupier to the owner of the solar system is also highly variable. Generally there are four categories:-

1. Owner occupiers.
2. Non owner occupiers that includes tenants, boarders, lodgers, granny flat residents etc. This group would normally draw power from the building supply. These power consumers may or may not have to have an electrical supply customer contract.
3. Non owner occupiers of large sites and or buildings. This group includes transportable home facilities, caravan parks, retirement villages, apartment blocks and similar. The site may have one or more solar power installations with the power commonly being used for a multitude of purposes. Normal practise is for the power fee is included in the rent, site fee, occupation charge etc. The charge is normally set by the property owner and is usually included as part of a combined site charge.
4. Mini grid, pooled and share systems are becoming relatively common. Ownership is by shares or similar structured agreements.

As the expansion of solar systems continues and the ownership arrangements become more complex the Property Owners Association believes it is time for IPART to not only determine the feed in tariff rate but to also determine to whom the feed in tariff is paid.

There is no set standard for metering solar power generation and or distribution however electricity authorities are capable of normally metering feed in power to the grid and grid supply quantities. They are not normally of capable of metering multi end users drawing from one solar system. Gross metering does give a very clear reading of the power produced and the power fed into the grid.

As the number of solar systems increases on non-owner occupied residences there is a call from some quarters, that these consumers should be able to benefit from the power produced and thus reduce their electricity expense. Solar systems are now much more complex than previously especially where batteries are part of the system. Cost are now a serious expense. Also the subsidy levels have dropped significantly. This makes the solar system an expensive outlay to the dwelling owner. Given that the feed in tariff has declined massively it is clear that the financial return for owning a solar system is now quite small. The POA would argue that the opportunity for the solar system owner to subsidise the electricity cost of occupiers no longer exists. Any pressure to reduce the demand for the installation of solar systems is not in the best interest of the State. If non owner occupiers wish to share in the financial benefits of solar then surely they need to be partners in the capital, maintenance and replacement costs.

It would seem, to the Property Owners Association, the best solution is for the feed in tariff to be paid to the owner of the solar system. This solution would be simple, low cost and would minimise disputes. The POA favours this option.

Where the solar system owner and occupant mutually agree to share the benefits and or costs then these arrangements can be documented within the lease, site agreement or other applicable terms and conditions to be matched to the desires of the parties involved.

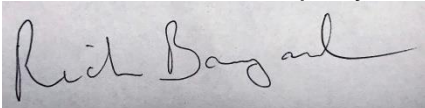
### **Recommendation to IPART.**

**That IPART recommends that the feed in tariff payment be paid to the Solar System owner.**

The POA is happy to provide additional information if requested.

Yours Faithfully,

On behalf of The Property Owners Association of NSW.



Rick Banyard, Committee Member



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