
From: Ronald Brakels <ronald@solarquotes.com.au>
Sent: Wednesday, 22 May 2019 4:45 PM
To: Adjudication
Subject: Submission for New Energy Tech Consumer Code from Ronald Brakels -- Chief Writer at SolarQuotes

Categories: Submission

22 May 2019

TO: General Manager, Adjudication Branch, Australian Competition and Consumer Commission

FROM: Ronald Brakels, Chief Writer, SolarQuotes

ABOUT: Submission for New Energy Tech Consumer Code

Dear General Manger of the Adjudication Branch, who may or may not be David Jones. (Your website isn't clear on this.)

Hi. I'm Ronald Brakels. I'm a writer for SolarQuotes. This company was founded and is run by Finn Peacock. We're a lead generator. We've been been around for a while. Since 2009 we've helped over 400,000 homes and businesses (but mostly homes) get solar.

I'm writing to make a submission for the New Energy Tech Consumer Code. I have suggestions concerning:

- Ethics
- Efficient market operation
- Consumer protection

My suggestions on ethics and efficient markets overlap, which is handy because it means I don't have to write as much. For consumer protection I'll say that:

- Blended payback should be right out. (This is where the good return from rooftop solar is used to mask the poor or negative return from an included battery system.)
- Predictions for future electricity prices should normally only use CPI or electricity futures market prices.
- Solar feed-in tariffs and efficiency losses need to be taken into account when determining battery payback periods or returns.
- I'd like to see a shift across the board towards a 10 year minimum warranty for all hardware and work. (With an exception for battery chemistries that can't be expected to last that long.)

Ethics

I think the new code should work to the benefit of both the industry and consumers. To this end it should not:

- Restrict consumer choice in which installers they can use.
- Encourage any action that would hinder installers who do not sign onto the code from operating freely in the marketplace.

To be clear, I do not think installers who perform substandard or dangerous work should be allowed to operate without consequences. I am in favour of a robust system of random inspections by independent inspectors employed by State and Territory electrical regulators. But whether or not an installer is a member of the code should have no bearing on if inspections are performed or consequences that result.

To protect both installers and consumers the code should state that its members will never seek or accept any advantage -- whether it is legal, regulatory, or subsidy in nature -- that applies only to members of the code and not the industry as a whole.

The only benefit that should accrue to signatories is being members of a well respected consumer code. If its authors are proud of what they've written it should not require any other incentive or market distortion to encourage people to join.

Blended Payback

Blended payback may be the most serious breach of Australian consumer law that regularly occurs in the home battery storage industry. This is where the usually excellent return from rooftop solar is combined with the poor or negative return of a battery system to prevent potential customers from seeing they would be better off without the battery. This is clearly dishonest behavior that any worthwhile code should be firmly and clearly against.

Australian consumer guarantees state a product must be fit for any purpose it is sold to the consumer for or they make known before purchase. So if a customer is told a solar system and battery package will or can save them money or they say they want or are expecting the system to save them money, then under Australian consumer law they can seek a remedy from the seller if the battery portion of the purchase does not clearly provide a positive return.

The code of conduct should be firmly opposed to any practice that is dishonest and/or against Australian consumer law.

Electricity Price Predictions

Customers are often given estimates of the payback time or the return from solar and/or battery systems that involve predictions about future electricity prices. This is open to abuse because if high enough electricity price increases are assumed, systems that are unlikely to ever pay for themselves in reality can seem worthwhile. I have seen salespeople base their assumptions on a brief period of rapid electricity price increases while ignoring what happened both before and after.

To prevent customers from being misled the code should require estimates to assume electricity prices will either increase in line with the Consumer Price Index, which will be easy to understand, or they should be based on information from electricity futures markets. Currently, future markets generally predict a downward trend in electricity prices. If a consumer wants different scenarios that used different electricity prices it is fine to provide them, but it should be made clear there is no evidence to support them over using CPI or electricity futures market information.

Solar Feed-In Tariffs Must Be In Battery Payback Estimates

The code should require signatories to always take into account the effects of both solar feed-in tariffs and realistic round trip efficiency losses when determining payback periods or returns from battery systems.

Because households forgo the solar feed-in tariff when they use rooftop solar to charge a home battery and because losses increase the amount of solar energy required, this has to be taken into account. A reasonable feed-in tariff should be used. For example, it should not be lower than one the household already has. While feed-in tariffs may decline in the future, estimates that take declines into account should only be presented as possibilities and an estimate using the current and/or a reasonable rate should always be included to allow consumers to make their own informed decision.

Minimum 10 Year Warranties Across The Board

At the moment solar panels have a minimum product warranty of 10 years while most solar inverters only have a warranty of 5 years. I believe it would be beneficial to consumers if the code supported a shift to an across the board minimum warranty of 10 years for all components of a solar system and workpersonship. To avoid disruption I don't think this should happen immediately but I think it is a realistic goal for the relatively near future.

I think this should also generally apply to lithium batteries for typical household use, but not necessarily to other chemistries such as lead-acid.

A minimum 10 year warranty for all components of an installations will give consumers greater peace of mind and make it easier for them to decide if they are making a worthwhile investment.

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