



MEDIA RELEASE

Labor power privatisation plan revealed

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Guy Barnett, Minister for Energy

Labor plans to privatise tens of millions of dollars worth of publicly funded electricity infrastructure and force low-income households to buy high-cost power from a private electricity retailer.

The privatisation plan was left out of Labor media releases yesterday and is snuck into the very last line of Labor's 'Community Solar Hubs 2.0' policy document. *"Following the model announced by the South Australian Government, Labor will seek to engage a new retailer to aggregate and manage this new distributed resource".*

Labor's plan announced yesterday to install solar panels and battery's on 1000 community housing properties will cost the state budget at least \$48 million. Labor's plan is to then hand over those publicly-funded assets to a private retailer, who will charge the households a high price to buy the energy generated from their own roofs. The retailer will then profit further from public assets by selling excess energy into the grid.

The South Australian model which Labor has pledged to follow is proposing to sell solar energy back to the low-income households at 27 cents per kilowatt hour – a higher price than what is already accessible to Tasmanian households from Aurora.*

Even worse, Stage 2 of Labor's Plan is to include government buildings such as schools, hospitals and offices into the privatised system, adding additional cost to provision of these services.

Nobody gains from Labor's plan other than a privately owned retailer. It is clear that as well as gouging low-income households the new private retailer would be able to sell power back into the grid at a much higher rate than the 8.9 cents per kilowatt hour Tasmanians who have installed their own solar systems can get.

Labor leader Rebecca White must reveal:

- What private power companies she has discussed this plan with?
- How much profit margin the private retailer will be able to charge?
- What the price per kilowatt hour is that low-income households will have to pay the private retailer?
- Can households opt out of this privatisation plan?
- What other electricity assets will be privatised?

Labor has previously ruled out any privatisation of electricity assets. It just goes to show they can't be trusted.

*Analysis, ABC News South Australia February 5

2018. <http://www.abc.net.au/news/2018-02-04/how-tesla-sa-labor-free-battery-scheme-would-work/9394728>

"What's the catch? Well, these "free" solar panels and batteries won't be owned by the participating householders. In the first instance, the systems will be

installed on the rooftops of 25,000 SA Housing Trust properties owned by the SA Government.

And unlike those people who go out and pay for their own solar panels and batteries, the scheme participants will not be able to benefit from the zero-cost power provided by their solar panel and storage system. Instead, an electricity retailer will be engaged to run the scheme, and sell the power generated by the solar panels and stored in the batteries back to the householders. According to preliminary analysis for the SA government by Frontier Economics' Danny Price, the retailer should be able to offer participants a power price of around 27c/kWh.”

** Aurora Energy Standard residential usage rates - Light and power – 25.900 ¢/kWh*
