



Alinta to sell solar systems to WA households

By Kathryn Diss

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Gas giant Alinta Energy will start rolling out solar and battery storage systems to WA households from November.

The company, which currently supplies gas to households, will reveal its plan to invest in residential solar power next month.

Curitn University sustainability expert Jemma Green said the move was a game changer.

"Alinta are getting ahead of the curve and offering a product which is essentially stealing market share from Synergy before they are able to obtain a retail licence," Ms Green said.

WA households have embraced rooftop solar panels at a rapid rate, with 18 per cent having photovoltaic systems (PV) and solar accounting for 9.3 per cent of total energy production on the South West grid alone.

The ABC understands Alinta will offer a range of funding options, which could involve either leasing or selling the solar and battery systems to consumers.

Ms Green said the leasing option opened up the market to more consumers.

"Given the cost at the moment, it may be that people looking at leasing arrangements," she said.

"But longer term, my view is that consumers will probably try and own the assets unless the leasing arrangements are very attractive terms."

Prohibitive legislation

Under current legislation, Alinta is not technically allowed to supply electricity to customers who use less than 50 megawatt hours of power per year.

That will not change until the government opens up the market to full retail contestability in mid 2018.

The ABC understands the retailer had been able to bypass the problem by using its existing electricity licence to enter into "power purchase agreements" with householders.

The agreement means it would be selling households the capacity or infrastructure to generate solar power, rather than actually selling electricity.

Director of the Australian Institute of Energy and economic consultant Murray Meaton said Alinta was positioning itself to be able to cater to consumer demand when the market opened up.

"The early adopters are already keenly looking at this alternative and when Alinta is able to offer this in a fully contestable market, we'll see quite a rapid uptake from people excited to potentially disconnect from the grid," Mr Meaton said.

Competition for smaller solar providers

Start-ups, which became the early retailers of solar battery systems, have embraced the announcement, even though it could challenge their market share.

Mike Laughton-Smith from Solar Balance, which supplies Solar PV and battery storage systems, said his company did not pretend to be able to compete with the likes of Alinta.

"The residential market is going to be super competitive, a red ocean of competition and players like Alinta will use their bulk buying power to bring down the price of the product," he said.

"That will be difficult for some solar retailers but for the installers it is great because consumption will go up."

Mr Laughton-Smith said offering wide-scale solar PV and battery storage systems to the residential market would stimulate work for manufacturers, installers and maintenance workers.

Murray Meaton said while battery storage challenged Western Power's traditional poles and wires network, it also provided it with the ability to reduce costs.

"It is both a challenge and an opportunity for Western Power because it will potentially reduce their number of customers but it is also an opportunity for them to reduce their costs," Mr Meaton said.

"And they desperately need to do that because network costs have been rising so rapidly."

Energy Minister Mike Nahan was not available for an interview, but in a statement said he was aware of Alinta's plans and fully supportive of them.

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