

AUSTRALIAN RENEWABLE ENERGY AGENCY

Senate, Economics Legislation Committee - Thursday 29 August 2024

(Future Made in Australia Bill 2024; Future Made in Australia (Omnibus Amendments No. 1) Bill 2024)

Senator Steph Hodgins-May asked:

1. Have you looked at the price discrepancy of where off grid solar has to be in order to compete with diesel generator where excise is refunded at 50.6c for every litre used?
2. Do you intend to?
3. Have you also compared how competitive off grid solar is, if there was no refund (rebate) for diesel generators?
4. Ultimately what I want to know is, if there is a critical minerals company making investment decisions, are they going to be better off investing in off grid solar, or is subsidized diesel generation cheaper, and what happens then if that tax fuel credit is removed?

Answer:

ARENA has not undertaken work of this nature and is not contemplating it at this time. Any previous assessment of related projects would have assumed a rebate within the diesel price.

ARENA is focused on off-grid projects, including investing \$125 million into the Regional Microgrids Program, which seeks to support the development and deployment of renewable energy microgrids across regional Australia that contribute to the Program Outcomes. This includes \$75 million for a First Nations Microgrids stream.