



Healesville Environment Watch Inc.

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Secretary: Maureen Bond

**HEALESVILLE ♦ CHUM CREEK ♦ YARRA GLEN ♦ BADGER CREEK ♦
DIXONS CREEK ♦ STEELS CREEK ♦ TARRAWARRA**

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Committee Secretary
Senate Standing Committee on Environment, Communications & the Arts,
Department of the Senate
P O Box 6100
Parliament House
Canberra, ACT 2600

14th August 2008

RE: Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008

Healesville Environment Watch Inc. congratulates Senator Milne on proposing the above Bill and calls on the Senate to support its passage into legislation.

By far the major source of greenhouse gas emissions in Australia continues to be electricity generation. Victoria's emissions from stationary energy are currently 44% above 1990 levels and still rising. Emissions for 2008 are currently 1% higher than at the same stage in 2007. A major priority, therefore, is to increase the proportion of renewable energy consumed and thereby to decrease the consumption of energy generated by burning fossil fuels. Our group of volunteers is already working with both the community and energy suppliers to explore how we can increase the up-take of solar and wind generation.

We consider an effective Feed-in Tariff to be of major importance. Providing an economic incentive through feed-in tariffs has been shown to have great impact in other countries, notably Germany, where installed capacity increased by up to 750 MW in each of 2005 and 2006.

We are concerned that the legislation currently being proposed in Victoria, like that of the states of South Australia and Queensland will provide inadequate incentive for renewable energy installation by householders. Currently only the ACT is considering introducing a Feed-in Tariff scheme based on gross payment. It is time for the federal government to establish suitable minimum standards, nationwide. In order to provide an effective incentive the legislation needs to provide for a feed-in tariff that is:

- ❖ mandated at a premium price, sufficient to encourage investment in installation of the necessary technology (in Germany this is 4 times the draw down cost);
- ❖ paid on the entire output of a system via gross production metering; and
- ❖ guaranteed for at least 15 years;

Such a pricing level will achieve several objectives:

HEWI is a community voice acting to protect and enhance important elements of our local environment

- ⇒ It will address the market failure which fails to take into account the true value and many benefits to the electricity network (and ultimately to all consumers) which arise from the adoption of renewable energy technologies distributed within the electricity grid;
- ⇒ It will complement the Government's MRET objectives and play an important role in establishing and promoting the industries needed in a carbon constrained world;
- ⇒ It will provide a reasonable payback period for householders and small businesses;
- ⇒ When shared over the entire network the additional cost to consumers will be minimal.

The Australian community is deeply concerned about the imminent and severe threat of climate change and we are eager to see immediate and effective Government leadership. This must include opportunities for personal action that will result in real emissions reductions and a reasonable prospect of a return to safe climate. We therefore endorse the current bill, and look to the government to ensure that the final legislation is strong enough to make a significant contribution towards the achievement of the necessary reductions in greenhouse gas emissions.

A feed-in tariff that incorporates the features mentioned above would enable cost effective action for families and would demonstrate the kind of leadership so urgently sought.

Yours respectfully,

Steve Meacher
Chairman

Maureen Bond
Secretary