

Date: 12th August 2008

RE: National Feed-in Tariffs for renewable energy generation

Dear Senators,

By offering a premium price for electricity generated by renewable energy technologies and fed directly into the grid, feed-in tariffs recognise the wealth of benefits which arise from the adoption of these technologies. These include: environmental benefits from reduced emissions of carbon dioxide and other pollutants; network benefits from reduced transmission losses and generation closer to the source of consumption; economic benefits through lowering of peak wholesale electricity prices; and social benefits via diversified electricity generation and job creation.

However, for a feed-in tariff to create the level of take-up required to achieve these benefits, it is essential that it is paid at an adequate rate, for a long enough time, and on the total production of the system. I call on the government to mandate a feed-in tariff at:

- 61 cents per kWh;
- for at least 15 years; and
- paid on the entire output of a system via gross production metering

Ten dollars will be invested for each dollar paid for the electricity generated. This feed-in tariff will allow individuals to apply for loans to invest in renewable energy generator systems. This multiplier effect will increase job creation, tax revenue, creates a world class industry and encourage innovations to reduce the cost even further. The increased in tax revenue and jobs will more than pay for the feed-in tariff. A feed-in tariff of \$500m/year will cause an investment of \$5b/year. After fifteen years, renewable energy will supply 13% of the nation peak electricity requirement. The current Photovoltaic Rebate programme does not encourage innovations to reduce costs, the rebate programme provides no incentive for the supplier to reduce prices.

The government should also consider reducing the baseload requirements by phasing out the use of cheap off-peak electricity and encourage the use of solar heaters or electric heat pumps. This will reduce the need to build more new coal-based power stations. Solar power will supplement the energy when it is most needed, on hot summer days.

Australia had been at the forefront of Photovoltaic research for the last thirty years. The technology developed here is used worldwide, but not in Australia, because Australia had been blessed/cursed with apparently abundant coal. e.g. NSW have recoverable coal reserve of 10,600 million tonnes, at the current extracting rate of 156 million tonnes per year and extraction growth of 3.2% per year. This reserve will be exhausted in 36 years ($\ln(1+0.032*10600/156)/0.032$).

Yours sincerely,

Philip Wong