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Recipient: **Senate Committee**

Subject: **Senate Committee Renewable Energy (Electricity) Amendment
(Feed in Tariff) Bill 2008 Inquiry:**

Date: 13/8/08

Hello and Thank You for the opportunity for this submission to the Senate Committee Renewable Energy (Electricity) Amendment (Feed In Tariff) Bill 2008 Enquiry.

My name is Glen Holland, I am the Director of 2G'sSMI Pty Ltd trading as Sun Wise Electrics.

We fully support the Senate Environment Committee Inquiry into Renewable Energy Amendment (Feed In Tariff) Bill and would be prepared to present to the Senate Committee at a later date.

Background

- The Australian Government has provided a capital rebate for the installation of solar PV on domestic rooftops since 2000. Without the rebate the market would/will be less than half the size it is today.
- Frequent changes in this program's rebate level and the level of funds allocated to the program since it was first introduced, have failed to create a market for solar PV and thus enable the industry to grow scale and move down the cost curve. Only 5000 systems were installed nationally in 2007 and fewer than 3000 the year before.
- However, with unprecedented demand over the last 18 months, the Australian solar industry has invested millions of dollars in new warehouses, trucks, recruiting new staff and training hundreds of new installers.
- Changes to rebate arrangements that alter market demand have a profound impact on the entire industry.
- Our industry needs long term commitments and wants to transition from a rebate arrangement to a nationally consistent gross feed in tariff and to one that is open to all sectors, residential, commercial, industrial and government.

Thus, we urge the Australian Government to adopt a gross FIT for solar PV.

We recommend the FIT have the following features:

GROSS GENERATION – that is, the feed in tariff applies to all the electricity generated from the solar PV system NOT just the electricity that is surplus and exported to the grid.

OPEN TO ALL SECTORS and UNCAPPED– that is, the scheme applies to all sectors not just the residential market and is not capped in terms of system size or programme. Supermarkets, factories, distribution centres, libraries, office buildings, swimming pool centres, churches should all be encouraged to invest in a solar PV system and be rewarded when they do.

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PAYBACK – The FIT is set at a level that will provide a payback on the capital investment within seven years.

LONG TERM – The scheme should guarantee payments for 20 years and be open to applications for 20 years

We understand that the Carbon Pollution Reduction Scheme (CPRS) is central to the Australian Government's response to achieving emission reductions at lowest cost and that the Government is further supporting renewable energy through an expanded Renewable Energy Target (RET) of 20% by 2020. However, neither CPRS or RET will adequately reward an investor for producing peak distributed energy and therefore bring forward the large scale (MW not just kW) opportunities that are emerging from the marketplace.

My Situation;

I have spent the last 12 months establishing myself as an organisation which will be able to make a difference to Australia and the world by actually doing something; namely promoting and installing renewable energy.

The decision to means test the solar PV rebate has all but stopped my business in its tracks. Customer desire has almost disappeared over night. I have no new orders for solar installation, since the means test.

I am currently considering what to do with my business as a result of the means test decision – if a gross feed in tariff. was introduced (as exists in other countries serious about managing climate change) then this would provide a renewed impetus for the solar industry.

As I understand it Australia has committed through the Renewable Energy Target to increase the amount of renewable energy to 20% of Australia's total by 2020 - just 11.5 years away.

Unless something changes the Rudd Govt will not be able to meet that commitment without allowing average Australians to install solar. Solar power is the one renewable energy source which is completely available to every household in Australia every day of every year.

The Australian people **know** we need to do something about climate change, but without a Gross Feed In Tariff its difficult for the **public to get involved in and contribute.**

How does the average Australian feel about climate change - this is the typical BBQ question;

"I know that our climate is changing, but what can I do about it, other than buying fluorescent light globes and reducing power/gas consumption?"

Guess what the most common answer is?

"If I could get some solar panels fitted, I could help, but I can't afford it on my own"

Why is this answer? Because the **people know** they can offset their energy use by **producing some clean energy them selves** and **the people also know** that the **sun wont stop shining tomorrow!**

Technical Perspective & Facts;

- Global energy demand in 2004 was 15TW (10¹² W)
- Available solar hitting earth: 89,000TW (again most of this over the ocean)
- Available wind energy on earth: 370TW (however most of this is over the oceans).
- Solar represents by far the largest renewable energy opportunity - particularly for Australians
- Australia is the hottest country on the planet, Australia has the world greatest need for cooling
- Air Conditioners are used for cooling and operate across Australia during the peak of sunshine period
- Peak energy across Australia is a major problem - adverts on TV during our summers periods are testimony to this
- A network of smaller solar producing systems across Australia significantly increases Australia's grid reliability and integrity
- A network of solar producing systems across Australia significantly increases the efficiency of Australia's electricity grid - particularly for rural areas where voltage drops at the end of long transmission lines

- Increasing the amount of energy able to offset our energy peaks improves the overall efficiency and performance of base load power stations and saves our precious Nat Gas for future generations (given that Nat gas is used to fire up Gas Turbines power producers, i.e. those able to rapidly respond to peak energy demand)
- Other countries with latitudes in the 40's, where peak daily sun hours average less than 5, yet they have multiple major solar farms producing significant amount of clean energy.
- Australia has squandered multiple opportunities to export its solar technology and knowledge because of a lack of support for solar industries and inventions
- What gets measured gets managed - the Hawthorn effect works - if people have solar PV on their roof they watch much more closely how much they produce - this is directly related to how much they consume - which gets monitored and managed by default!!
- There are numerous organisations who have significant influence over Govt (such as coal mining & utility Companies/Unions) – these industries have a vested interest maintaining the status quo and not supporting or rejecting solar initiatives
- The amount of money required for the gross feed in tariff to be introduced for solar energy to get the impetus it requires is insignificant in the overall Australian energy budget and costing, yet the value of that money for making the change for influencing people toward renewable energy and sustainability is a vital investment in our future - indeed, possibly in our very survival!

Summary;

If the Fed & State Govs really want to meet the 20% 2020 RET then something will have to change - in the words of Einstein; *"We can not solve the problems of today with the same thinking we had when we created them"*

We hear Gov bagging the opposition for their paltry efforts in climate change, an opportunity exists for the Gov to walk its talk and do something, there is **solid evidence** we **need** to make the **change to reduce our effects on climate**.

Climate change is happening more rapidly than previously thought -right now, these has **never** been, a **better opportunity** for Gov to make **some major change** – the **public** are **sick of inaction**.

It is our view, solar PV gross feed in tariffs complement both of the above schemes and furthermore gross FIT's are THE policy which will deliver markets of the size to drive the maturity and sustainability of an Australian solar PV industry. Making this decision will enable the change toward renewable energy and sustainability which we all know is good and for the right reasons – **Australian's** are **prepared** to accept the cost and **some level of pain** to be able to **personally contribute**.

To quote perhaps one of the worlds greatest leaders, Mahatma Gandhi would be appropriate to conclude this appeal to **repeal the means test of solar PV**;

It's the action, not the fruit of the action, that's important. You have to do the right thing. It may not be in your power, may not be in your time, that there'll be any fruit. But that doesn't mean you stop doing the right thing. You may never know what results come from your action. But if you do nothing, there will be no result.
 ~~ Mahatma Gandhi ~~

Thank you.

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