

From:-

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We are in the process of arranging installation of some 8.5kw of high quality grid-connected solar panels. The decision to install PV was not taken lightly, as the financial return on the systems in NSW is negligible - capped at a maximum of around \$1,000 a year at current rates. We went ahead because we realise the urgent need for Australia to move to renewable energy sources to minimise the effects of catastrophic climate change.

Our hope was that, in the future, an Australian government would create uniform Feed In Tariff (FIT) laws that encouraged the uptake of solar PV and other renewable sources of energy, and correspondingly began to reduce the subsidies paid to the coal industry.

While it is good to see that a gross FIT is being considered, there are several aspects of the Bill that could have a detrimental rather than beneficial effect.

1. Existing Systems Only

Item 4.0 (c) "providing a payment to owners of qualifying generators for the renewable electricity which they produce from renewable energy sources installed after the commencement of this Act" ... and ...

Item 5.0 (a) is installed after the commencement of the Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Act 2008

This appears to mean that everyone who has installed renewable energy (RE) systems in Australia will be disqualified from receiving any tariff payments. There are several problems with this:-

a) Once this becomes publicly known, no-one in their right mind would invest in a PV, wind turbine or other system until the Bill is enacted. Depending on how long that took, this would destroy the renewable industry as all their orders would be cancelled. It would be far worse than the downturn caused by the solar PV rebate means-test. It will also create an outcry from all the environmentally responsible citizens who've put in RE systems, only to find their contribution is ignored.

b) What rationale was behind the decision to include this paragraph? Is it to avoid the government suddenly having to pay lots of money for existing RE system owners? Is it, perhaps, to avoid the sudden flurry of paperwork as everyone clamoured to "sign on" to the FIT, plus the necessity of verifying and approving everyone's system? The former is surely a matter of budgeting, while the latter can be handled by proper planning before the scheme's introduction.

If there are concerns that existing systems may not meet the required standards, a process could be put in place whereby the systems are reviewed (at owners expense) by a qualified installer, any required changes to the installation or metering are made, and then the system may qualify on submission of the appropriate paperwork.

c) If existing systems are left out of the FIT, what will their owners receive in return for clean electricity they generate, whether net or gross? The market rate? Nothing? This needs to be made clear.

I really see no valid reason to rule out all existing systems, and there is no doubt that this would create a negative backlash if unchanged. I'd therefore strongly recommend that this restriction be removed from the Bill.

2. Existing State FITs

Some states have introduced "net" solar PV FITs of varying quality (SA, QLD, Vic), while the ACT has a gross FIT. Would the Federal legislation override the States, or would it operate in addition to existing state laws?

3. Maximum System Size

The definition of what a "qualifying generator" does not contain a restriction on system size. As some of the existing State "net" FIT schemes are limited to 2KW systems and less, I'd expect you may consider adding such a limit to the Bill.

I'd like to suggest that it should remain as it is, with no limit on qualifying system size at all. Why penalize someone who wants to spend more than the average amount on solar panels or wind turbines and has the funds to do so?

Also, were there no upper limit on system size, large investors may decide to create wind or solar "farms". They could allow "mums & dads" to purchase

generating capacity on the farm, and receive a proportion of the farm's FIT payments for whatever power is generated. Thus everyone could invest in clean energy creation, even a family in an inner-city apartment could take part.

4. Tariff Rates

One year is a very short timeframe for constant review of the rate. If the intention is to encourage investment in renewable energy, investors need to have confidence in the return they'll receive. Conversely, if there's a perception that the rate of return is dependant on the whim of a government then investors may stay away.

5. Registration of Generated Energy

As Jennifer Fordyce pointed out in her submission, requiring owners to calculate their own meterage is an invitation to widespread fraud. It also creates a

new bureaucracy to handle the forms and process the payments, which is not necessary and makes the scheme unwieldy to say the least.

The existing electricity providers already monitor everyone's meters. Why not have them record the meter readings on the RE systems as well, and then include FIT payments as part of their current quarterly billing arrangements? They can then claim back their total FIT payments from the government - one quarterly cheque to each provider rather than hundreds or thousands of small payments to individuals.

Lastly, thank you for considering a Feed In Tariff, and for explicitly making it apply to gross generation rather than net.

Regards,

Dr Peter Burchett & Mr Andrew Sumner.