

Committee Secretary
Senate Standing Committee on Environment, Communications and the Arts
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Ph: 6277 3526
Email: eca.sen@aph.gov.au

Submission to:
Senate Standing Committee on Environment, Communications and the Arts

Inquiry into Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008

This submission supports the Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008.

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I. Why adopt a National Feed-in-Tariff scheme?

Australia is justifiably concerned about its per capita emissions of greenhouse gases. Scientific evidence of climate change is undeniable: the heating of our atmosphere began to assume unprecedented levels with the advent of the Industrial Revolution. If we ceased emitting CO₂-equivalent gases now it would take decades to stabilise the atmosphere.

The present Federal Government recognises the urgency of reducing our emissions in as economically sound a manner as possible, demonstrated by ratifying The Kyoto Protocol.

Europe, which enjoys far less sunshine than Australia, has already successfully implemented feed-in-tariffs to encourage localised uptake of renewable sources of electric power.

Australia's capital rebate program for photovoltaic electric power was popular; however, unexpected changes to the availability of the rebate have caused disruption within the industry which is historically disadvantaged by perverse subsidies extended to the fossil fuel industry.

Providing for a National Feed-in-Tariff to all qualifying generators as defined in the Bill amending The Act's Section 5 *definitions* and Section 17 (1) *eligible renewable energy sources*, that is,

- (a) hydro;
- (b) wave;
- (c) tide;
- (d) ocean;
- (e) wind;
- (f) solar;
- (g) geothermal-aquifer;
- (h) hot dry rock;
- (i) energy crops;
- (j) wood waste;
- (k) agricultural waste;
- (l) waste from processing of agricultural products;
- (m) food waste;
- (n) food processing waste;
- (o) bagasse;
- (p) black liquor;
- (q) biomass-based components of municipal solid waste;
- (r) landfill gas;
- (s) sewage gas and biomass-based components of sewage;
- (t) any other energy source prescribed by the regulations

by means of Renewable Energy (Electricity) (Feed-in-Tariff) Amendment legislation, is strongly supported.

It will 'provide greater financial support for the commercialisation of a broad range of prospective energy technologies' – one of its stated objectives. A national gross Feed-in-Tariff scheme will complement the Carbon Pollution Reduction Scheme and the expanded Renewable Energy Target.

For all too long Australian technology has been exported. Twenty years ago our nascent solar technology was promoted energetically by one of our finest scholars, a Fellow of the Australian Academy of Science. The Professor was eventually forced to seek funding in Germany and elsewhere. With a little vision, Australia need not continue to surrender its finest minds to other countries for their enrichment.

II. Elements of the Bill that must be retained

Section 34C (2) (b) states that the feed-in-tariff rate scheme be calculated with reference to all the electricity produced by that qualifying generator, not just the electricity which is exported to the electricity grid.

In recent weeks there has been publicity regarding the waste of electricity, therefore fossil-fuel-derived energy and greenhouse gases, which occurs when power is generated centrally and then distributed over long distances. Furthermore, it is commonly understood that late afternoon and evening are the peak times for energy

use in our hot, sunny cities –just as the sun is producing its peak energy, we switch on our airconditioners and cooking appliances!

Traditionally we ‘smooth out’ the demand by providing off-peak power to store hot water for use during the day. Then we ‘smooth out’ the cost of using our appliances at peak times by charging a constant rate throughout the day!

This insanity is compounded by the fact that airconditioners add to the heat load of our already overheated cities which are effectively ‘heat islands’ in the landscape.

Every kW hour produced by the local generator reduces the need for power production, depletion of non-renewable resources, greenhouse gas emissions, direct generation of heat in our cities, subsidization of profligate peak energy use, and the need for ‘baseload’ power.

Thus gross generation, not just that fed back into the grid, must be in the feed-in-tariff rate scheme calculation.

The legislation must keep the provisions of Section 34D (3) ‘the Minister cannot change [the target level of installed capacity] until the fifth anniversary of the date on which the target level was initially set’ and likewise Section 34D (5) (9) (10) and (12) which ensure stability in the scheme.

III. Elements of the Bill that must be removed

There must not be exceptions such as in Section 34D (11) which appears to nullify the objective of the Bill, namely providing support for the renewables industry.

IV. Elements of the Bill that must be added

Section 4 **Object** must include the statement provided in the Explanatory Memorandum ‘the objective is to support the economic viability of electricity generation from a range of prospective renewable technologies’ and ‘to provide a degree of certainty to manufacturers and suppliers of renewable energy products’.

The legislation must be clear that the scheme is open to all sectors and is uncapped. The scheme must apply to all sectors, not just the residential market; there must not be a cap on the size of the system or the program. Larger operations such as swimming pool centres, office buildings, libraries, factories, distribution centres and churches should be encouraged to invest in solar photovoltaic and other renewable sources.

V. Conclusion

The National gross Feed-in-Tariff would allow the industry to expand once again; create jobs; help keep the jobs and expertise we still have from going to the United States, Denmark, Spain, Japan, and so on; increase investment from outside the

'renewables' sector; increase competition and reduce cost; encourage renewable energy sources other than wind and solar; reduce the need to install additional coal-fired generators to handle peak capacity times; encourage large renewable power plants in rural Australia with accompanying jobs and dollar flow-on; and possibly create opportunities for Indigenous Australians.

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Margery Street, AALIA, MEnvStud.

13/04/2008

13/04/2008