

**Senate Standing Committee on Environment, Communications and the Arts
Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008**

Committee Secretary
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Ph: 6277 3526
Email: eca.sen@aph.gov.au

Submission From:

Michael Croft

Dear Senators,

1. I live in NSW 3 kilometres from a state and territory boundary and source my electricity from the 'national grid'. My neighbours, 3 kilometres away in the ACT, can access a feed-in tariff that makes generating renewable and clean energy financially feasible.

As an individual I would like to invest some \$80,000 in renewable energy generation but without a feed-in tariff, the economies of scale work against such an investment. It is also important that the generation of clean electricity be encouraged from the first watt generated. A gross feed-in tariff is the incentive I will need to invest some \$80,000 of my superannuation money in such a project.

2. A renewable 'national grid' is being thwarted by state boundaries. Due to an arbitrary line drawn on a map, I cannot access the nearby competitive tariff and incentive which renders my desire to contribute to a low carbon economy financially unviable. This situation is inequitable and penalizes my choice of energy generation and consumption. How is this situation possible, and even permissible, when politicians talk of 'the national grid'?

A 'national grid' should not recognize state boundaries. Physically the 'national grid' does not recognize state boundaries, but on paper it does. This foolish situation is something a national feed-in tariff can go some way to rectifying.

Deregulation of the power industry means I can source my power from a provider of choice however, when it comes to supplying power back to the 'national grid', I can't sell my power to the highest bidder across the border. This supplier is my closest supplier and the situation is counter to the workings of the 'free market'. The market has been deregulated in one direction only and it is time this anomaly was rectified.

I currently source and pay a premium for 'green power' from my electricity supplier. Much of this power will be coming from my neighbours a mere 3km away that have a feed-in tariff incentive to produce it. It seems incongruous that I will be buying clean power from my near neighbours when I could be generating it myself but am currently at a considerable disadvantage for doing so.

3. A national feed-in tariff should not be prescriptive. By this I mean that it not stipulate the type of renewable energy that can access a national feed-in tariff. In my area both solar and wind generated electricity would be viable, with pros and cons for both. In other locations micro hydro, geothermal, tidal may be clear favorites. Whatever the generation method, the market should decide which renewable generation method is appropriate for the location in question. Location specific, appropriate and renewable power generation can only be possible if the feed-in tariff does not stipulate the method of generation.

4. As a farmer entering the 7th year of drought, input costs and fuel prices are a major concern. One major cost I could control is the energy required to power 5 of the 8 vehicles on farm via electrification. Many of the farm vehicles do multiple short trips and require high torque from start up. An electric motor powered vehicle is ideal for this type of use, and if I were generating my own power the running costs would be dramatically reduced.

A spin off benefit would be the farms much reduced dependence of world oil prices and fuel costs. This in turn would improve our competitiveness and help reduce the prices of the foods we produce.

5. A national feed-in tariff would provide stability, security and efficiencies by encouraging small-scale decentralization.

Electrical transmission losses in Australia are very high due to the centralized nature of power generation and our vast distances. The efficiencies generated by this bill would come from dramatically reduced transmission losses, as those generating power are also consumers and the distances from generating source greatly reduced. This efficiency gain will be a direct consequence of an increased number of generators taking advantage of a feed-in tariff incentive.

The increased stability of a decentralized power-generating network is probably best demonstrated by the www. or Internet. It is virtually impossible to shut down the web, and a smaller scale decentralized power generation network and grid will have many of the same characteristics.

An Australian national decentralized power-generating network has security implications in an unstable world. It is currently possible to shut down entire cities for extended periods with a few strategically placed explosions. This possibility would be greatly reduced with a decentralized source generation electrical grid, as would be encouraged by this feed-in tariff bill.

6. So I call on the good senators to support this bill and push for a truly national grid, one which does not discriminate on the basis of state of origin, one which provides uniform national incentives to produce clean electricity closer to point of use, one that would be consistent with the deregulation of the power industry, and one that would put Australia at the forefront of a sustainable global economy.

Yours sincerely,

Michael Croft
15 August 2008