

Committee Secretary
Senate Standing Committee on Environment, Communications & the Arts,
Department of the Senate
P O Box 6100
Parliament House
Canberra, ACT 2600

14th August 2008

RE: Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008

The Mount Alexander Sustainability Group (MASG) congratulates Senator Milne on proposing the above Bill and calls on the Senate to support its passage into legislation.

Our group's goal of our Shire becoming carbon neutral by 2015 is supported throughout our community. We were recent recipients of the Community Award in the United Nations Association of Australia Environment Day awards and our Shire was highly commended in the local government section. These awards attracting entries from across Australia, are a reflection of this community's commitment to take action to reduce emissions, thereby reaffirming Senator Milnes' comment that "The Australian people want us to aim high in addressing the overwhelming challenges of our time. They want (to) of be part of the solutions."

At this time, our identified priorities include wind, solar renewables and transport. For example, we have a pilot solar photovoltaic bulk purchasing & installation program with 75 participating households.

We consider an effective Feed-in Tariff to be of major importance. Providing an economic incentive through feed-in tariffs has been shown to have great impact in other countries, notably Germany, where installed capacity increased by up to 750 MW in each of 2005 and 2006.

We are concerned that the legislation currently being proposed in Victoria, like that in South Australia and Queensland, will provide inadequate incentive for renewable energy installation by householders. Currently only the ACT is considering introducing a Feed-in Tariff scheme based on gross payment. It is time for the federal government to establish suitable minimum standards, nationwide. In order to provide an effective incentive the legislation needs to provide for a feed-in tariff that is:

- ❖ mandated at a premium price, sufficient to encourage investment in installation of the necessary technology (in Germany this is 4 times the draw down cost);
- ❖ paid on the entire output of a system via gross production metering; and
- ❖ guaranteed for at least 15 years;

Such a pricing level will achieve several objectives:

- ⇒ It will address the market failure which fails to take into account the true value and many benefits to the electricity network (and ultimately to all consumers) which arise from the adoption of renewable energy technologies distributed within the electricity grid;
- ⇒ It will complement the Government's MRET objectives and play an important role in establishing and promoting the industries needed in a carbon constrained world;
- ⇒ It will provide a reasonable payback period for householders and small businesses;
- ⇒ When shared over the entire network the additional cost to consumers will be minimal.

We believe the Australian community is deeply concerned about the imminent and severe threat of climate change and is keen to see immediate and effective Government leadership and opportunities for personal action that will result in real emissions reductions and a reasonable prospect of a return to a safe climate. We therefore endorse the current Bill, and look to the government to ensure that the final legislation is strong enough that it makes a significant contribution to achieving and exceeding the necessary reduction in greenhouse gas emissions.

A feed-in tariff that incorporates the features mentioned above would enable cost effective action for families and would demonstrate the kind of leadership so urgently sought.

Yours respectfully,

Wendy French
Convenor
Tarrangower Branch, on behalf of MASG