Submission for the Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008.

Prepared for Solartec Renewables Pty Ltd by Phillip May. Director of Solartec Renewables.

This bill is a great step forward in the way that renewable energy is looked upon in Australia. It gives me great hope for our future as a civilisation willing to undertake bold steps to reduce our reliance on harmful green house gas emitting electricity generators. These are essential steps that must be taken to limit the impact that humans have had on our fragile planet.

Australia's willingness to take the lead will send a strong message to other countries, paving the way for global change. How can we as a country expect other countries to take action when we are too afraid to take that same action ourselves. It will not mean the ruination of business or the lowering of our high standard of living. It will mean that we do have a strong future and individuals can insulate themselves against the ever rising costs of energy in the electricity sector.

This bill will give certainty to the renewable energy sector; it will drive massive investment into the Australian renewable energy sector meaning jobs in all areas of Australia. Gone will be the stop start issues that occur every time there is a change in government policy with rebates and mandatory targets. Real and immediate cuts to harmful greenhouse gas emissions will take place ensuring some kind of future for our children. Our electricity networks will have a much better base load capability with embedded generation possible on a large scale in every street in Australia.

Transmission losses will be cut to a minimum. At present there are times and places in Australia where energy losses from the coal generators to the consumer can reach as high as 80%. This is termed transmission losses and accounts for a large portion of waste resulting in yet more unnecessary greenhouse gas emissions. It is reported that Canberra being some distance from any major generator has 30% transmission loss. This will be negated somewhat with the large scale uptake of decentralised renewable energy (for example, PV on homes throughout Australia) meaning that energy is generated locally and energy transmission losses are effectively wiped out.

This feed in tariff is a much better long term solution than the current $100,000 means tested rebate system that disadvantages average income families from installing Renewable energy generators. All the means test has achieved is a lowering of the average PV system size and consequently a lowering of the carbon emission offset.

The Current means tested Rebate system has been abused by an influx of cheap, small 1kW PV systems that are largely ineffective and will typically offset only 4.5kWh per day. The average home in NSW and ACT uses 21kWh per day. The rebate scheme is being rapidly depleted by installation of these systems, not leveraging a very good return on investment for the taxpayer, and is not resulting in an increasing environmental benefit.

Prior to the means test much larger PV systems were installed on a regular basis such as 4.2 kW systems that were generating19kWh per day for the same $8000 rebate. Each 4.2kW system installed saves over 9 tonnes of CO_2 each year per rebate compared to a saving of only 2 tonnes per year per rebate for a 1kW P.V system.

To make matters worse, the recent tender won by an overseas company to install 1000 of these 1kW PV systems in Queensland has further depleted the rebate funds by 1000 rebates. This company is using the $8000 rebate to subsidise their $2 Million advertising campaign. With an end

cost of a 1kW PV system only $185 to the consumer, this is unrealistic. It will not help to reduce the customer's energy demand on the electricity network by any significant amount and has far less impact on cutting carbon emissions than well designed larger P.V systems. As a comparison, you don't go into a retail appliance store and expect to get a $14,000 sound system for $185. The solar power sector is under incredible pressure and a gross national feed in tariff is desperately needed immediately to put an end to the ridiculous system we have at present, creating this scenario of Australian money very poorly spent.

In this instance, $8 million dollars of taxpayers' money to install a pathetic 1MW is not responsible use of funds. It is economic and environmental vandalism. The money that has been allocated to the solar power rebate scheme is being used up at a rapid rate and this rate is unsustainable.

Nor are small 1kW systems reducing total CO2 emissions by significant amounts and we fear that when consumers realise their installation of a small 1kW system on their home has had a relatively small offset on their electricity bills, they will not be happy with ongoing results of their system and this will damage the reputation of the solar industry as a whole.

So while I am heartened with the introduction of the Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008, I am aware that there are a few possible issues with several sections that may need to be addressed.

Matters to be addressed.

Schedule 1 - Section 5

qualifying generator means a renewable energy electricity generator that:

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

The issue that I have as a business is that this paragraph if introduced into the bill will mean that investment in renewable energy in Australia will immediately cease until such time that the Act actually commences. Not one sound of mind consumer is going to install a photovoltaic system or other renewable energy generator considering that they will be ineligible for the feed in tariff (FIT) rates.

Individuals who have forged the way ahead by being proactive in already having their P.V systems generating clean energy, lowering their individual green house emissions, and providing green power for others in their communities, need to be recognised and rewarded for their forward thinking and actions. Not penalised by being excluded from the FIT.

I understand that there are those who feel that some renewable energy installations have received grants and rebates and it would be unfair to include them into a FIT scheme as they would be unfairly advantaged. Many consumers have never received any rebate at all.

Another scenario is if there was the denial of the FIT for existing renewable energy generators who have received rebates on their systems yet allowances for those who have never received support. If we look at the current rebate scheme it would only be those low income earners that would be disadvantaged. Only those installing PV systems with an income of over $100,000 would qualify for the higher FIT.

There have been so many different rebate schemes and rates over the last 10 years that no one is going to be fairly treated and a blanket **inclusion** for all existing renewable generators is the only solution.

34A Feeding-in of electricity to grid by owners of qualifying generators

(2) An owner of a qualifying generator who feeds into the grid in accordance with subsection (1) must install a meter, of a type prescribed by the regulations for the purposes of this subsection, to measure the total amount of renewable electricity energy generated by the qualifying generator.

Background on metering.

The installation of additional metering for the purpose of recording gross amounts of energy generated to the electricity network is treated differently within every electricity retailer's area of operations. Some retailers allow outside contractors to change the metering, some will only allow their own technicians to charge the metering. Some electricity retailers charge for this service and some do not. For example Country Energy (NSW) has a very poor system in some areas in relation to this work.

In some Country Energy areas of operations they charge for the additional metering, other areas they do not. Interactive metering additions are deemed Non Contestable works by Country Energy meaning that the work **cannot** be contracted to outside parties. As a result the addition of grid interactive metering is **only** able to be carried out by Country Energy technicians; therefore it is not a billable service.

Electricity metering is an essential service. There should be some allowance within the bill to limit how much an electricity retailer is able to charge for the addition of interactive metering. Otherwise profiteering by energy companies could be possible and the costs become such that the installation of Renewables becomes untenable.

(a) registering the qualifying generator with the Regulator, for inclusion in the Feed-in-Tariff Register established under section 34F;

Will there be any cost associated with this service? I feel that this service should be paid for by the collection of revenues from the FIT levy rate and not by the individual renewable energy generator. The aim is to have as little hindrance as possible for the rapid uptake of renewable energy and any additional costs will drive consumers away.

34G Feed-in-tariff rate payments

(1) The owner of a qualifying generator must lodge with the Regulator within 30 days of each anniversary of the registration of the qualifying generator an annual return in the prescribed form indicating the metered energy produced by the qualifying generator.

Annual returns do make for less paperwork for both consumers and governing authorities however there is no provision allowed for the midyear sale of a property and the energy that would have been produced during that time. This leaves rise to the issue of potentially many thousands of dollars being unpaid to the former owner of the renewable energy generator by the register.

There must be some mechanism to allow the former owner of the renewable energy system to lay claim to those monies that are rightfully theirs.

Other matters relating to this bill.

Ideas have been proposed by a submission regarding potential Renewable Energy customers having to meet certain energy performance criteria prior to being allowed to partake in the FIT scheme. This idea typically would only allow a consumer to connect their Renewable Energy equipment if they have undergone a costly and lengthy process of retro fitting their existing home with solar hot water, thermal insulation, double glazing, grey water systems and the like. The idea has also been raised that all these services could be combined and provided by consortia. This is not acceptable. This would have a detrimental effect on local business that are already providing sound advice on energy efficiency to their PV customers and provide local expertise that is invaluable and tailored to each individual customer which is necessary in this field. The specialised PV and renewable energy field requires professionals which have extensive knowledge in this area. It is completely different to a mass sales market. You are not buying a hammer or a set of bed sheets; rather you are embarking on a changed lifestyle with a renewable energy generating system tailored to your individual long term energy needs. A renewable energy system plays a significant role in daily life and should be treated with such importance in mind.

Consumers should be allowed to decide how and when they are to improve their lives and standard of comfort. If a consumer wishes to spend a modest amount of money on a renewable energy generator, they should be encouraged to do so. Minimising hurdles for these installations is of paramount importance as total greenhouse gas emissions can be largely reduced immediately with the gross national feed in tariff in place.

In closing I do think that we have a very promising bill that will generate a massive amount of investment in our economy and allow Australia to again become world leaders in the renewable energy field. This will increase our export potential and help ensure we have a future.

Regards,

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