

Thursday, 14 August 2008

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

eca.sen@aph.gov.au

Dear Secretary,

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

Thank you for inviting the Australian Sustainable Built Environment Council to participate in the inquiry as detailed above.

The Australian Sustainable Built Environment Council (ASBEC) is the peak body of key organisations committed to a sustainable built environment in Australia. ASBEC members consists of industry and professional associations, non-government organisations and government observers who are involved in the planning, design, delivery and operation of our built environment, and are concerned with the social and environmental impacts of this sector.

ASBEC provides a forum for diverse groups involved in the built environment to gather, find common ground and intelligently discuss contentious issues. Our key strength is the knowledge and diversity of our members who are committed to collaborating and developing strategic input into climate change adaptation and relevant and achievable solutions to reduce emissions to meet our Kyoto commitment.

Grid-connected solar PV provide a number of triple bottom line benefits including, greenhouse gas reductions, clean source of electricity generation and significant economic savings to all consumers through:

- Reduced wholesale electricity prices,
- Avoided network augmentation by generating electricity close to the point of consumption, and at times of greatest stress on the network.

The research undertaken by the Alternative Technology Association in 2008 highlights that the success of the world's leading feed-in tariff in Germany has seen the creation of 27,000 jobs in the solar PV industry and now Germany contains more than half of the solar PV installed worldwide, as well as being home to the world's largest manufacturer and exporter of solar panels. This has been achieved in just three years after the expansion of their feed-in tariffs to the levels seen today.¹ Germany has achieved a 60% reduction in the cost of electricity production from solar over the past 12 years², at a time when generation costs from fossil fuels continues to climb. This points to the growing competitiveness of this technology for electricity generation.

¹ BMU 2007, *Renewable Energy Sources Act (EEG) Progress Report 2007*, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Berlin

² *ibid*



According to the BMU, Germany's environment ministry, they have estimated that the savings to be achieved from the adoption of feed-in tariffs – resulting from reductions in the wholesale electricity prices, reduced energy imports, and savings resulting from reduced greenhouse gas emission – outweigh the costs of the feed-in tariff by a factor of three to one³.

We believe that Government should adopt a progressive feed-in tariff, one which encourages the increased uptake of solar PV by commercial building owners and householders. An appropriate payback period of is essential to provide sufficient incentive to drive private investment in solar PV. We also believe that;

- the feed-in tariff should be on gross not net contributions to the grid,
- it should be guaranteed for 20 years at point of purchase of the PV system, and
- there should be a nationally consistent approach to the tariffs

Of course the first step towards reducing emissions from power usage should come from reducing the amount of energy wasted. Late last year ASBEC commissioned research into deep-cut greenhouse emissions in the building sector. In brief, the research showed that if **we deliver energy efficiency in the building sector, we could reduce the growth in greenhouse gas emissions by 35 per cent by 2050**, even if we take into account the expected growth in the overall number of buildings.

When these energy efficiency savings are combined with a growth in renewable energy and fuel switching across the economy, deep cuts in greenhouse gas emissions of 60 per cent below 2000 levels are achievable by 2050. In addition, these energy efficiency measures in the built environment would make it \$38 billion cheaper (in terms of GDP) to achieve deep cuts in emissions compared to the Business Roundtable on Climate Change which didn't examine the savings potential of the built environment.

Enclosed is a copy of the report 'Capitalising on the building sector's potential to lessen the costs of a broad based GHG emissions cut' for your review.

Thank you for the opportunity to provide our submission.

Yours sincerely,



Caroline Pidcock

President ASBEC

³ BMU 2007, *Renewable Energy Sources Act Progress Report 2007 - Draft*, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Berlin