



beyond
building

ENERGY

Submission to Senate Standing Committee on Environment, Communications and the Arts relating to the Solar Rebate enquiry.

21 July 2008

Thanks for the opportunity to send a submission to the committee.

Our planet is at a crucial time, where we collectively must take action to reduce our emissions.

Cutting our emissions requires our economies to adapt and switch to renewables. Countries that are unable to adapt will become less competitive as the full cost of carbon starts to be included in prices.

The Solar, and other renewable, sectors are young, and need the assistance to grow to the point where they can compete against carbon-intensive industries that have been long subsidised and already have the economies of scale.

In order to make photovoltaic's competitive we need an industry that grows to the point where it can efficiently and cost-effectively install systems. It has been shown in Europe and California the costs can be significantly lower than they have been under the "Cottage industry" model prevalent in Australia.

Beyond Building Energy, and other companies focussed on volume have demonstrated this is possible by reducing the installed cost by approximately 30% in less than a year, as the volumes of installations have increased.

As the industry grows, further economies are likely to be possible, and we believe that, because of the cost-curve of solar, that in the long term Solar will be the renewable that is able to supply Australia's needs for the lowest cost.

However, for an industry to grow it needs certainty and the current rebate scheme provides anything but certainty. In our sales process, we have to tell customers whether there is a rebate available, however we do not know – from one month to the next – whether the rebates will still going to be there, and the Department of Environment Water Heritage and the Arts does not release figures.

If there was more certainty as the availability of the rebate, as for example with the Feed In Tariffs in Germany, or Spain, we would be able and willing to invest in developing the business, however with the uncertainties in Australia all of our incentives are to focus our investment overseas. A growing industry creates jobs, and solar requires new skills, which require training. However the uncertainty means that many who have invested their own time and money in the training do not know what the outcome will be.

For example, last week, our company had a call from a woman who was part way through her accreditation as a solar installer, and inquiring about job prospects in the industry, and whether to complete her training. After a call to DEWHA failed to obtain numbers on how long the rebates were left it was not possible to advise this woman whether to complete her training, nor to decide whether we could offer her a job, or should be saving the work we have for existing staff. The recent change to the Means Test caused 15% of already placed orders to be cancelled overnight, or rather after our entire company spent a couple of weeks chasing down every customer to see if the means test



applied to them, and getting new forms signed.

We believe that we were one of the least impacted due to the way our program works to include lower-income customers who otherwise can't afford to take advantage of the rebate, however we do not believe a means test is appropriate on Solar PV. Our customers are contributing to the environment with their own dollars, they should be rewarded for doing so.

If a means test is necessary then we would ask that it be set significantly higher, for example at \$150,000 p.a. at its current rate there are far too many working families who can neither afford to purchase a system themselves, nor obtain a rebate.

We believe that more important than the means test, is the number of rebates available, and the lack of certainty about this and the government's commitment to the continuance of the program. We ask that the rebates – at whatever level, and with whatever conditions, should remain continuous over the whole year, so that companies can, with certainty, invest, seek customers and employ

people. Compared to existing subsidies on other forms of energy production, this is a relatively modest investment towards laying the foundations for Australia's future in renewable energy.

We would submit that an even more appropriate support for solar would be through a meaningful (gross) Feed In Tariff such as that recently adopted in the ACT. Such a tariff has led to the development of healthy and growing solar industries in countries such as Germany and Spain. The "net" Feed-In-Tariff's adopted in South Australia, Victoria and Queensland as most owners of PV systems will receive no benefit from them at all, and in particular the uncertainties mean that banks are unwilling to finance the purchase.

In conclusion we believe distributed solar PV should be a big part of our strategy for reducing emissions. We believe that it will contribute to a stronger Australia. We believe that to meet the challenges the industry needs the long term certainty that either a Gross Feed In Tariff, or a reliable approach to rebates brings.

Thank you for considering this submission,

A handwritten signature in black ink that reads "Mitra". The signature is fluid and cursive, with a large initial 'M'.

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