

18 April, 2008

Committee Secretary
Senate Economics Committee
Department of the Senate
Parliament House
CANBERRA ACT 2600
Email: economics.sen@aph.gov.au

Dear Secretary

Inquiry into the Renewable Energy Legislation Amendment (Renewable Power Percentage) Bill 2008

Thank you for the opportunity to contribute to the Senate Economics Committee's Inquiry into the *Renewable Energy Legislation Amendment (Renewable Power Percentage) Bill 2008*.

Conergy Pty Ltd, established in January 2005, is the Australian subsidiary of Conergy AG Germany. We supply a broad range of products and solutions for solar thermal, grid connect & off grid solar and small wind power applications. With head office in Sydney and other sales and warehouse facilities located in Melbourne, Brisbane and Perth we have rapidly rolled out a qualified dealer network across the continent. Conergy Australia is now developing into Australia's predominant business-to-business distributor of solar energy products through a dedicated channel of trade and retail businesses.

The MRET scheme is an excellent mechanism and has, to date been successful in expanding the renewable energy market by utilising REC's and other state based schemes. This success is demonstrated by the growth of the Renewable Energy Industry in Australia since 2001, in particular the Solar Industry. Prior to the implementation of MRET the installation of solar thermal systems and solar PV systems in Australia was less than 30,000 systems & approx. 1.5MW per annum respectively. Following the introduction of the MRET in 2001, total installed solar capacity increased by an additional 40,000 system per annum and is now upwards of 70,000 solar thermal systems & over 4.6MW per annum respectively. There are still also many systems installed that do not qualify for REC's. Industry growth has also led to the establishment of manufacturing and assembly facilities to support solar installations. Since the MRET was introduced solar thermal has become the second largest generator of REC's (Renewable Energy Certificates).

The policy signals provided by MRET have already led to a reduction in the emission of greenhouse gases and an increase in national economic development arising from investment in renewable energy infrastructure. Expanding the MRET and increasing the renewable energy power percentages from 1 January 2008 is necessary to ensure the smooth continuation of industry including maintaining 'Green Collar employees', investment and research & development.

If the target is not expanded until 2010 then a return to 2003 figures may prevail as the industry will be impacted by.

- Increased pricing to the end user;

- Decreased investment in renewable energy manufacturing; and
- No continuation of focus on solar energy and as such the momentum with builders decreases.

The level of the target will determine whether we simply keep the renewable energy industry's growth level constant, or whether we continue to build a competitive renewable energy industry, capable of delivering new investment, job creation, regional development and the reduction of greenhouse gas emissions. As such expanding the MRET from 2008 creates certainty for businesses like Conergy and enables a stable investment environment for the ongoing development of the renewable energy industry.

Conergy is ready to assist the Federal Government in building a greener future for Australia, and we look forward to continually participating in shaping climate change and business policy in the future.

Thank you again for the opportunity to provide input into the Senate Economics Committee's Inquiry into the *Renewable Energy Legislation Amendment (Renewable Power Percentage) Bill 2008*. Should you have any queries, or require clarification on any of the points outlined in this submission, please to contact me.

Regards



Dana Hughes
Government Liaison