

The Solar Guys

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The Secretary
Senate Economics Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Inquiry into the Renewable Energy (Electricity) Amendment Bill 2009

To Whom It May Concern:

Renewable Energy represents the future while fossil fuels represent the past. The importance of renewable energy to the future of our country cannot be overstated.

My company, The Solar Guys, offers a range of high performance solar systems including solar hot water and solar power to the residential and commercial markets. Our customers benefit from the long-life performance and reduced energy bills that our systems deliver.



It is critical, if we are to meet our carbon emission reduction targets, to include and encourage businesses to invest in renewable energy generation capacity. Businesses have budgets, long-term vision and an interest in 'being seen to be green'; business will invest in renewable energy if they can make it work financially.

The most important form of renewable energy for business is solar power. This is because the vast majority of businesses are located in urban areas where other types of

The Solar Guys

renewable energy generation such as wind power are not appropriate. While businesses can sign up for “green power” through their electricity retailer, the only way most businesses can realistically invest in renewable energy is to put solar panels onto their premises. In this way, the business actually owns an asset, instead of just increasing their liabilities.

The previous federal government Solar Homes and Communities Plan encouraged installation of solar photovoltaic systems on homes and community use buildings. Businesses were not eligible for this rebate though and had to bare the entire up-front cost of any solar power installation.

In stark contrast to Australia, solar power is being successfully promoted in many countries to business through gross feed-in tariff mechanisms. Feed-in tariffs in virtually every country are open to businesses to participate and profit from investing in solar power production. Unfortunately, the state governments that have announced feed-in tariffs have not taken up this approach and businesses are being locked out from taking part in these tariff schemes.

“Last year the Australian solar industry was promised no surprises and ongoing certainty-twelve months on the ‘Solar Credits’ program, due to commence in mid 2009, has not even passed Parliament.”
Rodger Meads, Conergy Australia.

What’s required are tax incentives to install solar power such as aggressive depreciation schedules and tax offsets. With the right incentives in place, the Federal Government is in a unique position to really get businesses of all sizes on board to invest in renewable energy generation.

A progressive stance on reducing greenhouse gas emissions requires looking beyond low emission fossil fuels to a zero emissions, renewable energy future. Further, business must be involved if we are to meet our renewable energy goals.

Gas and clean coal may be a stepping-stone, but the truly visionary approach is to skip this intermediate step entirely and go straight for clean, renewable energy.

Currently my company is suffering at the hands of two levels of government, the Federal Government, which hasn’t passed the Solar Credits legislation resulting in decimation of my solar power sales; and the Queensland state government who have embarked on a misguided scheme to bulk buy 200,000 solar hot water systems that has seen a massive drop off in my solar hot water sales.

“The Federal Government has announced it will no longer fund a 50 per cent subsidy for most households not connected to the electricity grid to install renewable energy systems.

The industry was notified by an email sent out at 8:33am (AEST) today, which informed them applications for the rebate would not be accepted as of 8:30am.”

Melissa Clarke, ABC.net.au

Both of these situations clearly show that governments fundamentally do not understand the nature of the solar industry

The Solar Guys

and the massive impact their supposedly beneficial legislation can have. It can be depressing to hear politicians who have no real comprehension of solar talk about how they're solar's biggest fans.

What the solar industry needs from governments of all levels is:

- To appreciate that the solar industry is actually quite small and very vulnerable to government indecision and policy missteps;
- Clear, consistent and fair incentive structures to promote solar technology to residential, small commercial and large commercial enterprises;
- To work with industry groups like the Clean Energy Council to identify the very best ways to integrate their incentive structures into the existing industry;
- To avoid communist-style central planning through bulk buy schemes at all costs;
- Introduce gross solar feed-in tariffs Australia-wide that are open to solar power installations up to 500kW;
- Support via Renewable Energy Certificates for new technologies such as solar air-conditioning and solar air heating;
- Support for independent testing facilities such as the Desert Knowledge Australia Solar Centre in Alice Springs to provide solar power customers with manufacturer comparison data;
- Mandated minimum 50% solar contribution for hot water systems in all new major residential apartment developments;
- Implement variable tariff pricing that passes on true peak-load electricity costs to the consumer across the electricity grids of the nation.

“The US Department of Energy predicts that by 2020 concentrating solar thermal power stations with storage will generate clean electricity at a cost of US3c to US6c per kilowatt hour.

That's comparable with the cost of existing (and heavily-subsidised) coal-fired power and way cheaper than if the unknown additional cost of carbon capture and storage (CCS) was factored in.”

Paddy Manning, Sydney Morning Herald

It is telling that the only public awareness campaign we've ever had for sunshine in Australian hasn't been run by the Department of Industry, Tourism and Resources, but rather by the Cancer Council.

Kind regards,



Dane Muldoon
Commercial Sales