

Inquiry into Renewable Energy (Electricity) Amendment Bill 2010

Submission Summary

On the 12th May 2010 Mr Gary Gray, MP, made a speech to the House of Representatives regarding The Renewable Energy (Electricity) Amendment Bill 2010. The Minister set out to illustrate to the House the Government's motivations for amending the Bill and in doing so how it 'will implement significant changes to enhance the government's ambitious 20 per cent Renewable Energy Target.'

The submission we are making to this Inquiry seeks to introduce an addition/change to the Small-Scale technology certificate criteria to include 'remote ownership' for Solar Photovoltaic (PV) panels.

'Remote ownership' explained

Conventional solar PV power for rooftop installations in Australia have to be installed facing North and in direct sunlight for optimum performance, with acceptable performance facing West or East. Households with shaded rooftops or roofs with a Southerly aspect are not able to install solar PV as the performance is insufficient to warrant the cost. Added to which the RECs calculation criteria would not be met, thus excluding these disadvantaged households from the benefit of the Solar Credits scheme. The consequence of this limitation is that many Australian households are naturally excluded from the opportunity of taking action against climate change directly by not being able to install solar PV on their rooftops.

'Remote ownership' overcomes the limitation for homeowners of an unfortunate roof aspect by installing the panels in an outback location in a solar farm. Homeowners will be able to purchase the solar PV system size relative to their electricity usage without the limitation of their roof size, shape or aspect. The solar PV system purchased in the remote solar farm will be metered with a National Meter Identifier (NMI) and linked directly to the homeowner's address. Linking the RECs to the original home address is important as it is the check and balance within the existing system administered by the Office of the Renewable Energy Regulator (ORER). 'Remote Ownership' maintains the integrity of the existing system with minimal adaptation other than inclusion.

Equity Opportunity to Solar PV

Minister Gray states in his speech to the House "Through a range of actions and initiatives, the government is giving Australians the tools to do their bit to conserve energy, and creating new clean energy industries and jobs. At the same time, the government recognises that it is important to build the foundations now that will enable our energy sector to take advantage of opportunities in a carbon constrained world."

The spirit of the change being made in this bill is to ensure the success of the government's ambitious 20 per cent Renewable Energy Target is achieved. 'Remote Ownership' will make a contribution to the 20 per cent target whilst bringing equal opportunity to all Australians wanting to make their contribution to renewable energy generation. The innovation of 'Remote Ownership' is the tool needed to expand equal access to solar energy in urban areas whilst supporting demand loads at an optimum time of day at fringe-of-grid locations.

'Remote Ownership' has the added benefit of being funded by the public rather than seeking financial contribution from government. Megawatt scale solar farms can be rolled out State by State allowing

homeowners to retain their contribution to carbon reduction actively within their own State.

Creation of RECs for ‘Remote Ownership’

‘Remote Ownership’ would sit within the Division 4 of the legislation relating specifically to small-scale technology certificates. ‘Remote Ownership’ would be defined as a small-scale technology and privy to the same conditions as the existing Solar Credits systems for rooftop solar PV.

Division 4—Creation of renewable energy certificates

Subdivision AA—Preliminary

17B Overview of Division

This Division deals with the creation of certificates, known as renewable energy certificates.

There are 2 types of renewable energy certificates:

- (a) large-scale generation certificates, which are created in relation to the generation of electricity by accredited power stations (see Subdivision A); and
- (b) small-scale technology certificates, which are created in relation to the installation of solar water heaters and small generation units (see Subdivisions B and BA).

Small-scale technology certificates can also be created by the Regulator under Part 2A (clearing house for small-scale technology certificates).

Subdivision B requires people who create certificates under Subdivision B or BA to submit returns relating to the creation of the certificates.

Conclusion

The inclusion of ‘Remote Ownership’ in the Renewable Energy (Electricity) Amendment Bill 2010 presents a unique opportunity for the expansion of access to solar PV to almost all Australians. ‘Remote Ownership’ achieves a broad range of benefits the government is seeking as we move into a carbon-constrained world. The benefits of modernising the grid, creating new jobs in the clean energy industry and equal access to Australia’s low pollution future are met by the inclusion of ‘Remote Ownership’ in this Bill, whilst the capital cost is funded by the public, RECs and State based feed-in tariffs.

Submitted by Grant McDowell