

Committee Secretary
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Via email: eca.sen@aph.gov.au

Re: Senate Standing Committee on Environment, Communications and the Arts: Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008.

Committee,

It is commonly acknowledged that the German Feed-in Tariff (FIT) Program first commenced in 1990 (*'Stromeinspeisungsgesetz'*) and refined in 2000 (*'Erneuerbare-Energien-Gesetz'*) as a Federally managed program is the most effective practice for boosting adoption of renewable energy (RE) technologies.

In the short-term, FIT provides:

1. Assisted growth to the photovoltaic industry (PV) in Australia;
2. An incentive for, as well as security of investment for PV system installation for both residential and commercial applications.

Situation in NSW

The NSW government is seeking national consistency on the matter of FIT and has consistently refused to introduce FITs whilst still offering \$200 million of subsidies to the coal industry. For renewable energy businesses and consumers in NSW, leadership at the Federal level is an essential keystone to the uptake of PV technology.

There is no requirement that system owners should benefit from a high FIT in order to make substantial profits. However, the FIT has to be set at a level to motivate greater numbers of residential users to install PV systems or switch to PV generated energy. In step with current context, a national FIT would be pegged in line with:

- Existing PV subsidies and grants from the Federal Government;
- The introduction of a carbon or emissions tax by 2010;
- The Rudd Government's commitment to a 20% renewable energy contribution to electricity by 2020.

Far South Coast Solar Farm

There has been considerable community support for a Solar Farm on the far South Coast of the Eden-Monaro electorate. Local member, Mike Kelly has committed \$100,000 to a feasibility study for the development of a solar farm, with a further \$1 million committed towards realising the project if the study is positive. A national FIT would stimulate community and business investment in this and other solar farming projects especially if the tariff reflects a viable commitment to clean and renewable solar energy.

For the longer term, solar farms represent a concerted support of the PV industry through large-scale infrastructure development, with the advantage of a small environmental footprint. Coupled with a national FIT, solar farms provide a strong and viable incentive for commercial and domestic investment in renewable energy through the purchase of kW specific allocations based on individual need. This model has greater longevity than individual PV systems and more accessible to a greater range of household dwellings such as strata-title homes, and renters connecting a larger population to a renewable energy source. Furthermore, a purchase of an allotment in a solar farm would enable individuals and industry to participate in a carbon offset

scheme. A solar farm can also serve to provide 'peak load shaving' that reduces demand on conventional power stations and supporting infrastructure during intense summer periods.

It is my belief that without FIT regulation, the environmental and economic potential of Australia's PV industry will not be realised, nor will Australia's commitment to a 20% renewable electricity supply by 2020. The obvious benefits of conversion to 'clean' or renewable energy as a response to the consequences of climate change must be supported now.

Yours faithfully,

Stephen Garrett
Managing Director