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25<sup>th</sup> August 2008

Committee Secretary  
Senate Standing Committee on Environment, Communications and the Arts  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Sir/Madam,

**Senate Inquiry into the *Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008***

I am writing on behalf of the solar thermal energy company, Ausra Pty Ltd, to respond to the *Renewable Energy (Electricity) Amendment (Feed-in Tariff) Bill 2008*.

Ausra welcomes the introduction of this Private Members Bill, and the opportunity, through the Senate Inquiry, to discuss the potential of solar thermal technology and the need for a national feed-in tariff.

Ausra would welcome the opportunity to appear before the Senate Environment, Communications and Arts Committee (the Committee) to discuss issues raised in this submission.

Ausra

Ausra is an Australian/American energy company committed to building large-scale solar thermal electric power stations providing low-cost, reliable, renewable energy.

Ausra's core technology, the Compact Linear Fresnel Reflector solar collector and steam generation system, was conceived in the early 1990s by Dr David Mills at Sydney University. It was commercialised by Solar Heat and Power Pty Ltd. in 2004 in Australia and is now being refined and built at large scale by Ausra. Ausra operates the solar thermal plant at Liddell power station in the Hunter Valley, which preheats water for the coal fired power station.

In November 2007, Ausra and California utility Pacific Gas and Electric Company announced an agreement for a 177-megawatt solar thermal power plant to be built in central California, generating enough electricity to power more than 100,000 homes. This is roughly equivalent to powering the city of Canberra.

In June 2008, Ausra opened the first manufacturing plant in the US for utility-scale solar systems. The Las Vegas facility will be capable of making 700MW of solar thermal power equipment annually, more than twice current worldwide capacity.

By the end of 2008, Ausra will have 1000 megawatts under contract, and a further 6000 megawatts in development in the US alone.

Since establishing Ausra Pty Ltd in Australia in recent months, we have been overwhelmed by the interest shown by State Governments, utilities and mining companies in potentially building large-scale stand-alone solar plants and hybrid gas/coal and solar plants around Australia.

### Importance of Feed-in Tariffs

Large-scale solar thermal power plants providing zero emissions power to Australians are technically feasible right now, and with a strong national commercial feed-in tariff can be cost competitive with fossil fuel technology.

By contrast, the possibility that a carbon pollution reduction scheme may not start by 2010, may not be comprehensive and may start with a low carbon price, combined with the absence of a national feed-in tariff and some uncertainty about the design of the Australian Government's 20 per cent renewable energy target, means large-scale solar plants are not quite cost competitive with fossil fuel plants without direct government support in the short-term. This could mean a 5-10 year delay in the transition to a clean energy economy- a delay we cannot afford given the pressing need to cut Australia's carbon pollution.

The ACT Legislative Assembly recently passed its own gross feed-in tariff law – *Electricity Feed-in (Renewable Energy Premium) Act 2008*- which provides for 75% of the premium rate if the total capacity of the generators is more than 30kWh.

With the ACT Government's new feed-in tariff legislation, Ausra now has a very strong incentive to build a large-scale solar plant in Canberra should the ACT Government proceed with a project. Ausra believes the ACT's feed-in tariff should provide the model for a national feed-in tariff for commercial solar applications, and commends this model to the Committee.

South Australia, Victoria and Queensland all have feed-in tariffs that are strictly limited to residential photovoltaic applications and do not encourage the deployment of large scale solar thermal plants. The WA Premier, Alan Carpenter, has recently announced that he will introduce a gross domestic feed-in tariff and will investigate a commercial feed-in tariff if re-elected. The remaining States have no feed-in tariff legislation.

Ausra supports the view of the Federal Government that there should be a consistent national approach to feed-in tariffs. This would provide greater certainty for business and greater clarity in operating across State and Territory boundaries.

A national approach should not, however, be a lowest common denominator approach. It must build on the ACT approach and ensure that appropriate incentives are provided for the development of commercial solar operations.

A national feed-in tariff would be a particularly important measure over the next 5-10 years whilst a strong, broad-based national emissions trading scheme is being established and as the national renewable energy target is being established.

### Conclusion

Solar is booming. About 1500 MW of solar thermal energy plants will be under construction in Spain by the end of this year. Thousands of megawatts are being contracted in the western USA. Solar power is not resource limited, and automated robotic manufacturing facilities can be rapidly introduced in parallel; Ausra's new automated factory allowing 700 MW a year in Nevada can be duplicated anywhere in 4-6 months.

Solar thermal electricity will deliver its potential with the timely introduction of a strong regulatory framework, including a strong national commercial feed-in tariff.

Ausra supports the introduction by 2010 of a well-designed, broadly based emissions trading scheme but this should be complemented by a strong renewable energy target and a national feed-in tariff. Ausra supports the ACT feed-in tariff legislation – *Electricity Feed-in (Renewable Energy Premium) Act 2008* – as the model for a national feed-in tariff.

Should you require any further information on the issues raised in this submission, please contact our Manager of Government Relations, Wayne Smith, on 0417 141 812 or [wayne.smith@ausra.com](mailto:wayne.smith@ausra.com)

Yours faithfully,



Bob Matthews  
Chief Executive Officer  
Ausra Pty. Limited