

We fully support the Senate Environment Committee Inquiry into Renewable Energy Amendment (Feed In Tariff) Bill.

Background

- The Australian Government has provided a capital rebate for the installation of solar PV on domestic rooftops since 2000. Without the rebate the market would be less than half the size it is today.
- Frequent changes in this program's rebate level and the level of funds allocated to the program since it was first introduced, have failed to create a market for solar PV and thus enable the industry to grow scale and move down the cost curve. Only 5000 systems were installed nationally in 2007 and fewer than 3000 the year before.
- However, with unprecedented demand over the last 18 months, the Australian solar industry has invested millions of dollars in new warehouses, trucks, recruiting new staff and training hundreds of new installers.
- Changes to rebate arrangements that alter market demand have a profound impact on the entire industry.
- Our industry needs long term commitments and wants to transition from a rebate arrangement to a nationally consistent gross feed in tariff and to one that is open to all sectors, residential, commercial, industrial and government.

Thus, we urge the Australian Government to adopt a gross FIT for solar PV.

We recommend the FIT have the following features:

GROSS GENERATION – that is, the feed in tariff applies to all the electricity generated from the solar PV system NOT just the electricity that is surplus and exported to the grid.

OPEN TO ALL SECTORS and UNCAPPED– that is, the scheme applies to all sectors not just the residential market and is not capped in terms of system size or programme. Supermarkets, factories, distribution centres, libraries, office buildings, swimming pool centres, churches should all be encouraged to invest in a solar PV system and be rewarded when they do.

PAYBACK – The FIT is set at a level that will provide a payback on the capital investment within ten years.

LONG TERM – The scheme should guarantee payments for 20 years and be open to applications for 20 years

We understand that the Carbon Pollution Reduction Scheme (CPRS) is central to the Australian Government's response to achieving emission reductions at lowest cost and that the Government is further supporting renewable energy through an expanded Renewable Energy Target (RET) of 20% by 2020. However, neither CPRS or RET

will adequately reward an investor for producing peak distributed energy and therefore bring forward the large scale (MW not just kW) opportunities that are emerging from the marketplace.

It is our view, solar PV gross feed in tariffs complement both of the above schemes and furthermore gross FIT's are THE policy which will deliver markets of the size to drive the maturity and sustainability of an Australian solar PV industry.

Thank you.

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