



Committee Secretary  
Senate Standing Committee on Environment, Communications and the Arts  
Department of the Senate  
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BP Solar is pleased to provide a submission to the Senate Standing Committee on Environment, Communications and the Arts Inquiry into Save Our Solar (Solar Rebate Protection) Bill 2008.

The Australian Government has provided subsidies to support the deployment of solar PV for almost a decade, through PVRP and RPPGP.

During this time there have been numerous changes made to the rebate level and total funding allocated to these programs causing both significant fluctuations in demand and change in industry investment profile.

The industry needs to have greater certainty than that provided through short term policy measures such as rebate programs. To provide incentives to facilitate the industry scaling up investment in both capacity and capability building activities such as acquiring new warehouses, trucks, recruiting new staff, undertaking training etc.

It is the view of BP Solar that steps need to be taken to help transition the market from rebates to long term policy commitments such as those provided through adopting a gross feed in tariff regime.

Subsidy programs are a short term measure and ultimately will fail to inject the scale necessary to help the industry to move down the cost curve. Unlocking the demand that has been building in the commercial sector is the key to delivering a sustainable solar PV industry in Australia.

BP Solar specifically recommends

1. The Australian Government announce the intention for the industry to be supported by a gross feed in tariff regime by July 2010 (as a complementary measure to an Emission Reduction Scheme).

2. The Australian Government transition the market and industry off rebates by announcing intentions to reduce the rebate through Solar Homes and Community Plan for the residential sector effective July 2009 to \$4k but offset the reduction through the introduction of consistent gross FITs regime in each state and territory of Australia
3. The Australian Government announce the introduction of a FIT regime for the commercial sector commencing July 2010. This commitment should be announced as soon as practical to allow the industry to take the necessary steps to secure access to supply, allocate resources and implement appropriate strategies to meet demand from large scale commercial projects.

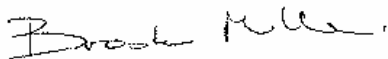
With over 25 years experience operating in the domestic market, BP Solar is sensitive to a growing appetite from the marketplace for Australia's Governments to adopt a gross feed in tariff policy. Not only would it deliver the transformation required to secure the industries future but more importantly it would overcome the economic hurdle cited by businesses as the single reason for not proceeding with a solar PV install.

Solar PV can play a role in providing peak energy in Australia and could deliver up to 3GW of new clean distributed energy by 2020. The value of peak power is substantially higher than the average power price that solar PV investors are currently paid by utility companies for the systems output. A gross feed in tariff will move closer to enabling solar PV to be remunerated for the real market value of the power it generates in real time. This is a more sustainable policy than a subsidy, and is directly targeted at correcting a structural market failure.

All that is now required is for Australian policymakers, politicians and decision makers to act with both speed and determination to introduce a nationally consistent gross feed in tariff.

Should you wish to discuss this submission further please contact Brooke Miller on 0420 997 043 to discuss.

Kind regards  
BP SOLAR AUSTRALIA



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