

MEDIA RELEASE

SOLAR POLICY CHANGE REQUIRED 1 July 2010

Representatives from Mildura Development Corporation (MDC) met last Friday with Shadow Minister for Climate Action, Environment and Heritage, The Hon Greg Hunt, to discuss a gross national feed in tariff which would assist in scaling up the solar industry in regional Australia.

The delegation included Chairman Dane Huxley, CEO Anne Mansell and solar advocacy consultant from Firestarter Pty Ltd, Mr Arron Wood.

“The Shadow Minister’s understanding of the renewable energy sector, and of solar in particular, was very comprehensive and he provided some excellent feedback on our suggested policy of a gross national feed in tariff. “ Mr Huxley said.

Mildura Development Corporation, with support from Mildura Rural City Council, have engaged Firestarter to assist them with their advocacy work to encourage a change in policy direction to further enhance both large and small scale solar developments across regional Australia, and in particular in the Mildura region.

In researching the various policy options to encourage solar power, Mildura Development Corporation understands that gross national feed in tariffs, such as those operating in Germany, upscale the whole industry sector providing jobs growth as well as distributed generation capacity.

“Feed-in-tariffs (FiTs) are simply payments per kilowatt-hour for electricity generated by a renewable resource. Gross feed-in-tariffs are the world’s most successful policy mechanism for stimulating the rapid development of renewable energy and are also the most egalitarian method for determining, when, and how much renewable generating capacity will be installed.” Arron Wood, MDCs solar advocate, said.

In Germany, over five years to 2008, the PV installed capacity had grown by around 5,000MW and is the largest photovoltaic market with a turnover of \$10 billion. There are in excess of 10,000 PV companies in Germany and the costs of installation have fallen by around 85% since 1990.

Arron said the German model has been successful because:

- It was well designed from the beginning
- It has one of the least generous feed-in-tariff rates of any country preventing speculative investment
- It is simplified and streamlined and easy to implement with little paperwork
- It is easy for German citizens to connect to the grid
- It contains varying tariffs for different types of renewable, and for different sizes
- And the cost increase of electricity per household is very small.

“Electricity demand is growing in Australia each and every year, and it is important that we get the policy framework right so that areas like the Mildura region can benefit from this growth.” Mr Huxley said.

Mr Huxley said there were many opportunities locally for small scale solar developments and rooftop solar developments, as well as large scale, if the policy provided payback for the capital investment.

The Hon Greg Hunt MP Shadow Minister for Climate Action, Environment and Heritage, is looking to examine all forms of feed-in-tariff, that includes commercial and utility scale solar through the Productivity Commission and he has asked the Mildura Development Corporation in conjunction with technical representatives from the industry to draft the terms of reference for the Commission and if successfully picked up, the Mildura Development Corporation and other recommended representatives will have a place on the advisory committee supporting the Commission with baseline data and assumptions, industry input, technical parameters and peer review.

“Meeting with the Shadow Minister provided us with some great suggestions for getting this issue onto the national agenda, including drafting a terms of reference for the Productivity Commission.” Mr Huxley said.

Arron continues to work closely with MDC on promoting this policy context to politicians, businesses and organisations that have involvement in the renewable sector.

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