



Proud to be Union

The Hon. Peter Garrett
Minister for the Environment, Heritage and the Arts
PO Box 6022
Parliament House
Canberra ACT 2600

Cc: Penny Wong

2 March 2010

Dear Mr Garrett,

RE: Promoting the cost effective uptake of solar PV

The Electrical Trades Union of Victoria (ETU) has commissioned a new report by Access Economics on the most efficient way of encouraging householders to take up solar rooftop units. We can see from the overwhelming response to the Government's Solar Homes and Communities Plan that Australians are keen to reduce their personal carbon footprint. ETU's new report shows there is actually a more cost effective way for them to do so, and for the solar industry to get the investment certainty it needs.

The new Access Economics report: *The impacts of a solar gross feed-in tariff on electricity prices* shows that the a gross national feed-in tariff would see broader uptake, and double the amount of installations for the same price as the existing Government scheme.

We shared our Job Creation research report with you last September, which showed that an additional 22,500 jobs are possible in the Solar PV industry.

Now, with a more detailed economic assessment we can also confirm that a uniform, national gross feed-in tariff would cost a maximum of only 2% more to householders. A national gross feed-in tariff also allows householders to recoup the entire amount of their initial spend. This contrasts with the current system where only a portion of the cost is recovered.

From the statistics on the Solar Homes and Communities Plan website it appears that approximately 83MW of solar PV has been installed under this program - 75,000 units at a cost of at least \$1 billion. The research undertaken by Access Economics indicates that at a cost of \$4.47 billion 650,000 units could be installed providing 1,000MW of renewable energy.

**ELECTRICAL TRADES
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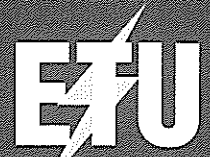
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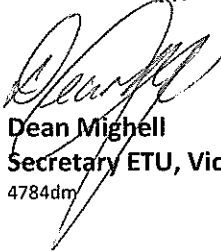
A raw comparison of the two programs would indicate that double the amount of installations are possible with the same spend if a gross national feed-in tariff is introduced. Enclosed is a copy of our recent report outlining these calculations.

A number of prominent businesses in the community are also in favour of a gross national feed-in tariff for the cost benefits and energy alternatives it provides. Two of these include the Property Council of Australia and Woolworths. If the national gross feed-in tariff was not limited to householders, but extended to businesses as the ETU prefers, we would see higher employment levels and lower scheme costs.

The ETU strongly supports the growing solar PV market, as an area of job growth and as a carbon abatement alternative. As a new and exciting growth industry; solar PV uptake must be supported by enforced standards of electrical safety and quality, guaranteed minimum levels of solar PV cell performance, applied complementary tariff measures, ongoing research and development in addition to providing targeted training.

The ETU would welcome the opportunity to meet with you to discuss in detail the opportunity that a national gross feed-in tariff presents.

Yours sincerely,



Dean Mighell
Secretary ETU, Victorian Branch
4784dm

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TABLE 1: Summary of calculations

Method of encouraging solar PV	Cost	Number of units installed	Total Watts (MW)	Number of households
Gov solar programs (10 years to 2010)*	\$1 Billion over 18 months to June 2009	67,472* (additional 8,365 in 2010)	83MW (gov source)* 100MW (CEC)#	41,000 (at end July 2009#)
Proposed Gross FIT (2010 to 2030) Access Economics Report	\$4.47 Billion over 20 years	650,000	1,000 MW	650,000 (or less if larger commercial uptake)

* The Government's program statistics are summarized in

<http://www.environment.gov.au/sustainability/renewable/pv/pubs/wattsbymonth-dec09.xls>

Total Watts installed & number of houses with PV found in

http://www.cleanenergycouncil.org.au/cec/resourcecentre/factsheets/mainColumnParagraphs/0/text_files/file24/Solar%20Photovoltaic%20Fact%20Sheet.pdf

NB: No associated administration or legal costs are considered above

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