



Proud to be Union

The Hon Greg Hunt
Member for Flinders
PO Box 274
Hastings Vic 3915

2 March 2010

Dear Mr Hunt,

RE: Promoting the cost effective uptake of solar PV

The Electrical Trades Union of Victoria (ETU) appreciates your feedback to the Job Creation report we released last September that showed an additional 22,500 jobs are possible in the solar PV industry. To address your queries regarding the financial aspects of the most efficient way of encouraging householders to take up solar rooftop units the ETU commissioned a new report by Access Economics.

We can see from the overwhelming response to the Government's partial rebate scheme that Australians are keen to reduce their personal carbon footprint. In fact the demand is so great the Government's budget has been stretched in the order of \$850 million over the past 18 months. However, this latest Access Economics report shows there is actually a more cost effective way for householders to uptake solar PV, and for the industry to get the investment certainty that 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 has been spent through the Government's Solar Homes and Communities Plan. Through the Access Economics report we can also confirm that a uniform, national gross feed-in tariff would cost a maximum of only 2% more to householders. Legislating for a uniform national gross feed-in tariff is a viable, cost effective option.

A national gross feed-in tariff also allows householders to recoup the entire amount of their initial spend, rather than a partial amount as occurs currently.

From the statistics on the government's Solar Homes and Communities Plan website it appears that approximately 83MW of solar PV has been installed equating to 75,000 units over the past ten years at a cost of at least \$1 billion. The latest 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. These figures clearly show that the uptake of solar using a gross feed-in

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VICTORIAN BRANCH**

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tariff is more cost effective than the schemes the Government has been using so far.

If a gross national feed-in tariff is introduced, at least double the amount of installations are possible with the same level of government spending as we have seen with recent programs. 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 Liberals consideration of the opportunities that a national gross feed-in tariff presents.

Yours sincerely,

Dean Mighell
Secretary ETU, Victorian Branch
4785dm

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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/file_24/Solar%20Photovoltaic%20Fact%20Sheet.pdf

NB: No associated administration or legal costs are considered above

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