

## Submission Template

### COAG Review Discussion Paper 3 – Support for small-scale off-grid renewable generation

#### Overview

This submission template should be used to provide comments on:

#### **COAG Review Discussion Paper 3 – Support for small-scale off-grid renewable generation**

The purpose of this discussion paper is to provide an introduction to the key issues relating to support for off-grid renewable generation within the Renewable Energy Target (RET), and to encourage input on these issues from individuals, businesses and organisations to inform the review process

Stakeholders are asked to use the template provided to answer the questions posed in the discussion paper. The Department will also accept any other documents, further information, costing tables etc that are attached to the submission template.

#### Contact Details

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#### Confidentiality

All submissions will be treated as public documents, unless the author of the submission clearly indicates the contrary by marking all or part of the submission as 'confidential'. Public submissions may be published in full on the Department of Climate Change website, including any personal information of authors and/or other third parties contained in the submission. If any part of the submission should be treated as confidential then please provide two versions of the submission, one with the confidential information removed for publication.

A request made under the *Freedom of Information Act 1982* for access to a submission marked confidential will be determined in accordance with that Act.

**Do you want this submission to be treated as confidential?**       Yes       No

#### Submission Instructions

Submissions should be made by **close of business 30 October 2009**. The Department reserves the right not to consider late submissions.

Where possible, submissions should be lodged electronically, preferably in Microsoft Word or other text based formats, via the email address - [RET@climatechange.gov.au](mailto:RET@climatechange.gov.au).

Submissions may alternatively be sent to the postal address below to arrive by the due date.

Renewable Energy Sub Group Secretariat  
Department of Climate Change  
GPO Box 854, Canberra ACT 2601

For more information phone: 02 6159 7428

## Off-grid renewable generation

**Question 1:** Solar Credits currently apply up to the first 1.5 kilowatts (kW) of capacity installed. Should Solar Credits or a similar 'REC multiplier' mechanism under the RET be used to provide further incentives for off-grid renewable generation? If so, what level of eligible capacity (such as 20 kW) should apply? How would this compare with the level of support under the RRPGP and what size 'REC multiplier' would be appropriate?

1. Customers applying for the old RRPGP rebate scheme were in the position where the cost of connecting to the grid was prohibitive therefore the only viable alternative was to seek assistance through the RRPGP and install a RAPPS or use a generator.
2. Due to the volatility of REC's a multiplier of REC's for remote customers is not a viable alternative – yes the install should still create single REC's , as in the past.
3. Direct incentives should apply in these cases – a rebate scheme is the only fair system for these customers

**Question 2:** What other eligibility criteria should apply and what would be an appropriate process for phasing out the incentive?

1. Eligibility
  - a. Primary place of residence
  - b. Only get an incentive if the cost of grid connection over a specified level – similar to the old RRPGP scheme
  - c. Limit the size of the RAPPS to say a maximum of 20kwh/day
2. Phase out of incentive
  - a. Customers installing a RAPPS are usually not doing this because they really desire to have a solar power system and be totally divorced from the grid – if grid connection was financially viable, most would connect
  - b. These customers require ongoing assistance and incentives should not be phased out otherwise put Govt funding into extending the grid so that connection is financially viable for these customers

## Experience of the Renewable Remote Power Generation Programme

**Question 3:** Are the RRP GP program parameters still relevant if incentives for off-grid renewable generation are provided under the RET? Views are sought on:

- whether 1km from a main grid is an appropriate definition for remote 'off-grid';
- whether the \$30,000 connection costs threshold is appropriate for sites that are considered close to a main grid; and
- whether support equivalent of up to 50 per cent of the cost of the renewable generation and essential enabling equipment is appropriate.

I believe that the old RRP GP scheme was very fair. Incentives proposed under the RET should not apply for remote customers.

## Cost of renewable generation

**Question 4:** Information is sought on the costs of different small-scale off-grid renewable generation systems for example in different geographical locations, in particular:

- the capital cost of the technology, including installation;
- annual running costs, including maintenance;
- the effective life of the system;
- the capacity factor of the system, if applicable; and
- how this compares to fossil fuel based generation (such as diesel).

1. Capital costs vary from site to site as every customer has differing load requirements
2. Running costs - virtually nil other than replacement battery after +/-10years if system sized and used correctly.
3. Maintenance – cost of distilled water for batteries (minimal) and fuel for generator back up (if required and minimal if system sized correctly)
4. Life – solar modules have a 25yr power output warranty and we would expect these to go the distance and possibly up to +30yrs. Batteries have a 5yr warranty and, if system sized and used correctly, usual maintenance done, +10years expected. Inverters and other electronic equipment usually supplied with a 3yr warranty and in most cases these will be trouble free for 5 – 10yrs. Therefore one could assume a lifespan of 10-15yrs.
5. Fossil fuel generation is not an option.

## Impact on existing eligible technologies and REC market

**Question 5:** Would providing incentives for off-grid renewable generation have a major impact on the deployment of existing eligible technologies?

1. With no incentives customers will either not build on remote properties or use a short term solution such as a generator – not an option.
2. With incentives similar to RPPGP we are back in business
3. With the RET scheme you would get some customer support but very limited as even with a multiplier on REC's the incentives would not be large enough as REC prices will probably remain low due to the number being placed on the market

## Remote Indigenous communities

**Question 6:** What would be the wider economic and social benefits of renewable generation under the RET for remote Indigenous communities? How can these benefits be used to close the gap in Indigenous disadvantage?

No comment

## Any other additional comments