

## 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

<b>Name of Organisation:</b>	RAPPS Systems
<b>Name of Author:</b>	Phil Gower
<b>Phone Number:</b>	07 46356991
<b>Email:</b>	philgower@rappsystems.com.au
<b>Website:</b>	www.rappsystems.com.au
<b>Date:</b>	28/10/09

#### 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 RRP GP and what size 'REC multiplier' would be appropriate?

Multiplier should be x 10 and no limit up to a maximum capacity of 5 kwatt of installed panels.

E.g. installed cost of 5 kwatt solar panels is around \$47,000 and if the REC multiplier is x 10 up to a 5 kwatt capacity system and x 1 thereafter and at a realistic REC price of \$25, that would provide an incentive of \$25,912.50 for postcode 4350 in Queensland. Total system cost is around \$80,000.

Thereafter the balance of system components should be rebated at 50% of their installed cost.

If the balance of system components costs \$33,000 then  $\frac{1}{2}$  this is \$16,500 making a total support to the end user of  $\$16,500 + \$25,912.50 = \$42,412.50$ .

Slightly better for the end user than the previous RRP GP scheme of 50% (c.f. \$40,000).

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

As before – Principle place of residence in the end (12 months to prove it) and >\$30,000 away from a main line grid.

Why phase it out? The electricity authorities don't want the expense of providing extensions to already overburdened power lines in rural areas now? Keep it going for ever!!

## 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.

whether 1km from a main grid is an appropriate definition for remote 'off-grid' = YES

whether the \$30,000 connection costs threshold is appropriate for sites that are considered close to a main grid; = YES

whether support equivalent of up to 50 per cent of the cost of the renewable generation and essential enabling equipment is appropriate = make it 50% of the BOS and 10 x RECs up to 5 Kwatt as per my question answered above.

## 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).

the capital cost of the technology, including installation = \$80,000 for a 5 kwatt system

annual running costs, including maintenance = \$1200 to allow for battery replacement in 10 years

the effective life of the system = 25 years

diesel generator over 25 years would be much more c.f. the solar system. Running 24 hours per day to provide 24 hour power as the solar system does.

## 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?

No

## 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?

Best to talk with Bushlight

## Any other additional comments