

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.

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?

Solar credits seem to be a constructive way to encourage people to go off-grid and replace coal fired or diesel electricity with renewable. Apart from the greenhouse gas issue the elimination of SWER power lines, which have been blamed for starting bushfires, is cause for such encouragement. However a 1.5 kW (rated collector) solar PV system would only produce an average power output in Vic. of about 200 to 300 W which is not sufficient to run a domestic house. An increase would be my preference. The amount is rather arbitrary 20 to 50 kW would seem appropriate. I do not see many opportunities for abuse of a high figure.

Rather than the installed rated power it may be better to base the solar credits on actual or expected power delivered to the load. There is a marked difference here between solar PV which might produce a capacity factor of about 15% or less and wind which is likely to provide a capacity factor of 30%.

I am also concerned that many systems are installed and, for one reason or another, fail to produce the anticipated power output. Since the RECs are not returned, I have some sympathy for eliminating the upfront rebate and allowing progressive writing of RECs on the basis of metered power production. A hybrid scheme in which some RECs were available on installation and some were written on production may encourage users to maintain their systems.

I am not convinced that solar credits should apply equally to off-grid and on-grid systems. Energy payback periods on PV cells are still quite long and when one includes the embodied energy of the supporting structure and inverter it is not clear that a PV system on the roof of a suburban house is actually greenhouse positive. Turbulence, poor wind strengths and visual pollution issues make wind generation in the urban environment something one would not wish to encourage, although the greenhouse gas reductions are real. In my view the multipliers should not be applied in urban environments.

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

No submission.

Experience of the Renewable Remote Power Generation Programme

Question 3: Are the RRPGP 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.

No submission.

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).

No submission.

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 Submission.

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 submission.

Any other additional comments

No.