

The Greens NSW

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Geoff Bragg
Chairman
NSW chapter of Solar Energy Industries Association (SEIA)
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Dear Mr Bragg

Thank you for the SEIA Briefing paper and your request for responses to the four questions.

I provide a response on behalf of the Greens NSW.

The Greens are firm supporters of a feed-in tariff that facilitates the orderly development of the industry to the point at which it is cost competitive with fossil fuel sourced power.

Our track record in support of a feed-in tariff and against the savage reductions of the gross feed-in rate stem from our conviction that a vibrant roof-top solar industry has a major role to play in reducing this state's reliance on fossil fuels.

We agree that a price on carbon would not at this stage provide adequate support for the industry and that bonus tariffs remain a necessity for some years to come.

Unfortunately the Greens cannot provide the simple yes/no answers you sought.

Question a) We accept that a 1:1 retail parity tariff would be better than the current arrangement where in some cases solar panels installed after the November 2010 changes to the legislation would be paid less than the retail rate. The 1:1 parity tariff would provide some certainty to the industry after the current scheme has closed.

The Greens advocate a 1:1 rate as the default, when no feed-in tariff is available and it is important to ensure that PV fed into the grid receives the retail tariff, not the bulk supply rate.

Question b) We remain unconvinced about advocating for a net tariff.

We are concerned that a net tariff could:

- ◆ exacerbate residential feeder peak loads (in the 4pm to 8pm period) as consumers defer their daytime use to maximise exports and hence returns from the net tariff. This phenomenon has been encountered by the net export tariffs in Victoria and South Australia,
- ◆ households on time-of-use tariffs may find they are paying 44c/kWh during the peak time period, even if they have exported PV power during the day,

- ◆ net feed-in tariffs are inherently less equitable than gross feed-in tariffs because wealthy people, who can afford to buy a larger system, can export a greater percentage of their generation, and
- ◆ net exports also provide little payback certainty for the customer, because most households would be unaware of the likely difference between their energy use and PV output, and export rates over a 20 year period are unknown as household demand changes unpredictably.

We would be open to further debate on this issue.

Question c) We strongly support nationally consistent tariffs but, as indicated above, we are yet to be convinced that they should be net.

Question d): Yes.

Yours sincerely

A handwritten signature in cursive script that reads "John Kaye".

John Kaye
Greens NSW MP
Energy spokesperson.