



Tasmanian Renewable Energy Alliance

MEDIA RELEASE

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Solar report an epic fail – Minister should tell regulator to start again

The Tasmanian Renewable Energy Alliance today called on the Energy Minister to reject the [draft report](#) on the solar feed-in tariff (FiT) for Tasmania and commission a new report which recognises the full benefit of solar PV for Tasmania.

The Minister has vowed to consider all options to reduce the chances of an energy crisis including greater incentives for solar. *“The Minister seems to have neglected to tell the economic regulator that the world has changed.”* said Jack Gilding, Executive Officer of the Tasmanian Renewable Energy Alliance.

“The regulator’s draft report on the solar tariff is an epic fail, proposing exactly the same formula as it did three years ago, despite the urgent challenges facing Tasmania energy security and the globally agreed need to rapidly phase out fossil fuels.” said Mr Gilding.

TREA provided a submission to the regulator outlining nine additional benefits of solar PV which should be taken into account in setting the FiT, however the regulator has dismissed or ignored all of these.

The draft report acknowledges that solar PV can increase energy security when dams are low, but because solar PV was only 1% of Tasmanian electricity demand in 2014-15 and there is no current mechanism for rewarding this benefit the report suggests it can be excluded from the FiT calculation. This is a self-defeating cycle. *“Solar PV could meet much more of Tasmania’s energy needs, but until the full benefit is recognised, there will be no incentive for solar owners to invest in feeding energy into the grid.”* said Mr Gilding.

Tasmania is currently burning gas and will start importing brown coal fired power as soon as Basslink is fixed. Yet the draft report does not acknowledge any environmental benefit in increasing the use of solar energy in Tasmania.

The report is meant to determine the feed-in tariff for the next three years but says it is “too early to comment on the potential impact of embedded battery technology”. In three years household batteries will be widespread. *“We need to be planning now for how consumers installing home batteries can be encouraged to contribute to a more cost effective and robust network.”* said Mr Gilding. *“Wait and see is a sure fire way to miss the opportunities battery storage provides.”*

Surplus energy from household PV is used locally and makes no use of the transmission network. The regulator acknowledges that “conceptually, transmission costs can be avoided through the purchase of excess electricity generated by solar PV”. The regulator consulted TasNetworks who confirmed that retailers are charged for transmission costs for all electricity sold, even if some of the electricity does not in fact travel through the transmission network. The regulator should be finding a mechanism to share the benefit of cheaper, locally generated power between customers and the solar owners who provide this energy. Instead they are propping up the old centralised model even if it means all customers are paying for a service that was not in fact used.

Comment on the draft report is due by 15 March.

Media comment:

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