

Michael Fogarty

Submission to Inquiry into the true value of distributed generation

11/2/16

Dear Essential Services Commission

I would like to make the following points regarding your current inquiry into the true value of distributed generation:

- Given that the Australian and Victorian Governments are committed to keeping the increase in global warming to well below 2C then the value of solar power (distributed or not) and therefore the feed in tariffs and other forms of support must be valued with this goal in mind. Therefore increases in such support that increase the penetration of solar power generation should be supported with a goal of massively increasing the amount of power generated from solar.
- The Victorian Government has a modest target of **at least 20% renewables** by 2020. Currently solar represents ~2% of power generated and combined renewable energy sources generate ~13%, while brown coal represents ~84%. Your inquiry should examine how distributed energy sources can ensure that the renewable energy is **at least 20%** of the total generation by 2020 e.g. what policies are required to ensure that distributed solar will generate at least 10% of the state's electricity production.
- One way of ensuring that a significant increase in distributed solar is achieved is to minimise the costs that networks charge for connection and build this into the price of electricity, e.g. essentially a user pays system whereby the cost of transporting electricity long distances is reflected in the price of that electricity. this would encourage users to use less of the long-distance electricity and generate more themselves, thereby reducing Victoria's carbon output and assisting to meet the government's target of **at least 20% renewables** by 2020.
- Your inquiry should recognise that the power grid should and must change to accommodate the changes that are necessary if Victoria is to decrease the amount of carbon generated significantly i.e. by at least 50%. To achieve this distributed energy will have to play a very significant part in the mix, as above 10% is not unrealistic and the grid will have to adapt. Your inquiry would do the government and the people of Victoria a great service if it outlined how the grid can be adapted to meet such a mix.

I thank you for your services.