

Tim Davis

Why an equitable price for solar is important

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To the Essential Services Commission - Inquiry into the true value of Distributed Generation to Victorian Consumers

Solar owners should be paid a fair price for the energy they create. A fair feed-in tariff for solar power would be the amount it costs to buy that energy from an electricity company - a 1-for-1 unit price. Solar owners are no different from other electricity suppliers in Victoria. They have made a financial investment in renewable energy, and like any electricity supplier, should be receiving a fair price for their power contribution to the grid. Our current regulations don't look after the interests of Victorians - instead, they protect the private profits of big power companies. That power companies can buy a household's excess solar energy for 5c, and sell it to their neighbours for 25c is not an equitable situation.

More importantly, we should be moving away from coal generation of electricity and into renewables. There are many reasons why this should happen. Some are related to pollution associated with coal (particularly brown coal) but more importantly are the impacts on climate change. In the mid 1980s I worked for CSIRO Atmospheric Research on the impacts of cloud cover on global energy balance. Back then we were concerned about global warming associated with the increase of carbon dioxide in the atmosphere and were trying to understand how changes in cloud cover would affect the temperature rise. Climate models have predicted the increase in global temperature, the increased frequency of drought and the increase in ferocity of storms that we have witnessed over the past decade.

We have already lost 30 years where we could have been doing something about this, and yet politicians are still reluctant to move away from fossil fuels - it is interesting to see which fossil fuel companies donate money to both Labor and Liberal parties (<http://www.theguardian.com/news/datablog/2013/may/28/australia-political-donations-parties#table>). I see this inequitable treatment of suppliers of distributed energy (i.e. solar owners) as a retrograde step in addressing climate change issues.

We don't need another drawn-out review, when there are Victorians facing an 80% cut to their feed-in tariff at the end of this year. We need a fair price for solar and a modern, efficient grid that supports distributed generation.

I strongly urge the ESC to immediately recommend to the Andrews Labor Government to set a fair price for solar at 1:1, before further cuts to the feed-in tariff take effect at the end of 2016.