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SUBMISSION INTO THE TRUE VALUE OF DISTRIBUTED GENERATION

11/2/16

To whomever this may concern,

I am writing to you in relation to my concerns about the minimum solar feed-in tariff (FIT) arrangement that is currently set in Victoria at 5c/kWh. I generate and consume solar energy and have a 4kW solar system. The ramifications of a reduced FIT are economic, environmental, social and political.

Distributed energy has many public benefits and in my opinion as well as the opinion of many domestic solar energy generators I have spoken to, a declining FIT negatively impacts the individuals' investment in distributed energy which consequently impacts the benefits the public can receive.

As a domestic clean energy provider of solar energy, I believe that the FIT is too low and does not reflect true value for money for the domestic provision of a clean, non-polluting energy source which reduces carbon emissions.

From an environmental perspective I believe that the current FIT will have a negative impact on the future uptake of renewable energy production by domestic users. Many households without solar systems do not see the value in investing in solar energy production under the current FIT arrangement and perceive it to be a deterrent as they feel that the Victorian government is penalising those who want to produce clean energy.

Economically when one factors in the profit that energy retailers make from the resale of clean energy (often as high as 35c/kWh) a clear imbalance is demonstrated in the current FIT arrangement; there needs to be better parity so that the public can continue to reap the benefits of distributed energy.

Furthermore as a clean energy provider of solar energy, I place less pressure on the grid, by averting the need to build more infrastructure and maintenance (poles and wires) and alleviate peak time electricity outages. This is a preventative measure that will become more of an issue as climate change forecasts predict more extreme weather occurrences.

Furthermore I disagree with the Commission's view that the environmental benefit of distributed generation may be sufficiently reflected in the arbitrary payments available under the Renewable Energy Target (RET) because the environmental and economic benefits in generating clean energy are dynamic. They are ongoing and will become more pertinent and apparent as climatic conditions change and the cost of its consequences become more clear in the future. Has future risk analysis of climate change impacts been factored into the RET and feed-in tariff?

Reductions in FIT have a social impact because if less people invest in distributed energy, what message are we sending to our children and the community in general? Discussions about renewables and environmental issues are often discussed in the community these days (including schools, sporting clubs and households). There are many media reports about the value of renewables and there is a greater awareness amongst young and old in the community about how they impact climate change (e.g. the recent Paris Summit).

When children see their parents take a proactive interest and financial commitment to

installing and maintaining solar panels, they have a greater awareness of environmental issues such as climate change which are contemporary social and political issues.

Furthermore if an FIT is not fair, it will impact the international community's perception of our government, our communities and our country as a whole. Fair FITs are a small price to pay, yet potentially have a large social impact both locally and internationally.

Politically I believe the current FIT arrangement has a negative impact on the Victorian government's branding in relation to renewables and the climate change efforts made during a crucial time in the international debate on these issues.

In the last election the Victorian government promised to protect solar in Victoria and by recalibrating solar feed-in tariffs to be fairer to households like mine who have invested money, time and energy in installing solar systems which have public benefits as described above, they can demonstrate that their actions match their rhetoric and in doing so show that they are genuinely committed to the renewable sector.