



Friday 3 June 2016.

Submission to Draft Report (Energy Value) of Distributed Generation Inquiry

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**Mitigation advantaged by higher feed-in tariff**

Dear ESC,

Re: Inquiry into the true value of distributed electricity generation

We welcome the opportunity to contribute to this inquiry. As a community group, we see this from both the producer and community side of electricity generation and are compelled by an imperative to produce as much sustainable energy as quickly as possible to mitigate climate change.

The Macedon Ranges Sustainability Group has recently become the first community producer of electricity in Victoria. The development of the Solar Farm at the Blackforest Timber Mill enabled by a grant from the Victorian Government, and co-ordinated by our group, returns power into the grid and to the Mill. Profits from this electricity generation flow into our Macedon Ranges Renewable Energy Fund (MrRef). This fund will enable installation of solar cells on community-owned buildings in the region, fostering a further increase in solar-electric generation. The first of these follow-on projects is already under constructions.

We query the subsidies to fossil-fuel burning electricity suppliers, when clean alternatives exist and are demonstrably capable of satisfying the needs of southern Australian users. We challenge the low feed-in tariffs received by domestic solar and wind generators, who provide clean electricity at no establishment cost to the power companies.

Though we see a role for the power networks to utilise clean energy and make it available to all, we query the low level of the feed-in tariff, and believe an equitable middle-ground could be reached by paying wholesale prices to the providers of renewable-electricity into the networks. This process would have the dual advantage of an equitable outcome for producers, whilst ensuring supply to consumers in high-density accommodation, hospitals, schools and transportation networks in large population centres who would otherwise be unable to source renewable power.

As a sustainability group, at present we are aware of the sliding-scale of tariffs downwards to 5 cents per kilowatt hour, leading individuals to a potential abandonment of the grid and take-up of battery storage, with its concomitant waste issues impacting on future sustainability.

We are aware that mitigation experts are calling for the development of micro-grids to protect regions from large-scale environmental disasters. In the case of the MRSG, the Macedon Ranges area has a high likelihood of bush-fire leading to the potential loss of the power grid, once in 30 years or high-winds (hurricane, 2007, Mt Macedon, winds of 150km/h). By providing a higher-level of feed-in tariff, communities like ours can build these localised grids to enable people to get back on their feet quickly after such events.

On behalf of the Macedon Ranges Sustainable Group,

**Liz Wilson** – Secretary

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