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Solar Panel subsidies are the Dinosaurs of the Energy Industry

Clean Energy Week is the perfect time for a rational discussion about how Australian energy users subsidise Solar Panels, CEO of the Energy Networks Association John Bradley said today.

Addressing a Clean Energy Week forum on the future of the electricity grid, Mr Bradley said the Review of the Renewable Energy Target should confront subsidies that were past their use by date.

"Does anyone really think solar panels are unproven technology that still needs subsidies to support their market entry?" Mr Bradley said.

"We have 1.2 million roof-top Solar Panels in Australia and states like Queensland and South Australia have higher market penetration than anywhere in the world.

"Australia's energy sector is at the leading edge of integrating small scale solar. The most advanced US market, Hawaii, has market penetration of about 10% of consumers, while Queensland and South Australia have penetration levels approaching 25%," Mr Bradley said.

Mr Bradley told the conference the RET Review should direct subsidies paid for by electricity customers to where they were needed most.

"As demand has fallen in the last few years, network businesses have reduced their spending by billions of dollars, government reliability standards have been reformed so networks can invest in the reliability that customers value.

"The Small Scale RET scheme is an anachronism, over-incentivising investment in a form of technology, solar panels, that is already mature.

"It's important the RET Review avoids creating retrospective risk to the large scale solar, wind farms and other generators, but its time to modernise the system for small scale renewables like Solar PV.

"If we want to put downward pressure on customer electricity prices, we should stop funding proven technologies with significant market share."

Mr Bradley said the Small Scale RET had been demonstrated to be a high cost form of abatement, costing far more per tonne than the Large Scale RET or other forms of abatement.

"Solar Panels are also at levels where they increasingly result in unfair outcomes for consumers on the network who do not have Solar Panels.

"For instance, the high penetration of solar PV in Queensland has added \$100 million to the electricity bills of households without solar PV."

Mr Bradley told the Conference that energy networks were being transformed by an increasing focus on consumer engagement, new technology opportunities to improve network efficiency and falling solar and storage costs.

"The energy system in Australia will look very different by 2050 and while we can't predict key trends in onsite generation, storage and electric vehicles with certainty, we know we can take some measures now to future proof our system.

"Tariff reform is essential to provide rewards to customer who use energy in efficient ways and that means we need regulation that allows smart meters to be installed where it economic for a single consumer or for a group of consumers on a network," Mr Bradley said.

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