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Claire O'Rourke
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Re: Greens NSW solar policy position

Dear Claire,

Thank you for the opportunity to provide the Greens NSW position on matters of concern to solar owners and supporters this state election.

The responses below are provided in my capacity as the Greens NSW energy spokesperson.

A copy of the Greens NSW Energy Policy is available at:
www.nsw.greens.org.au/policies/nsw/energy-policy

If you require further information regarding the Greens NSW position on the below matters please feel free to contact me.

1. No Discriminatory Solar Fees

Does your party guarantee to prevent fees and charges which discriminate against solar owners and people installing storage systems?

Yes. The Greens thoroughly reject the campaign by the Australian Energy Networks Association, the body representing power line and gas pipeline network businesses, to charge solar customers elevated tariffs.

The association argues that discriminatory tariffs are necessary to recoup the costs of maintaining and expanding the electricity network. This attempt to gauge solar households is self-serving and deeply unfair.

Solar PV is currently emerging as a transformative force to the traditional electricity system. The Greens consider the push by the AENA to charge solar customer more a thinly veiled attempt by the network businesses to prevent solar users from further undermining the networks' business model.

It is an attempt at the worst kind of restrictive trade practice, where monopoly power is exploited to restrain a competitor.

For years the big network businesses have been 'gold plating' the grid and passing the costs on to households through higher power bills. Solar households threaten the ability of networks to continue to extract massive rents from consumers by helping homes and business become energy independent.

The economic benefits of the energy produced by rooftop solar have been consistently underestimated, especially where the need for network augmentation or strengthening can be delayed or eliminated by reductions in net demand.

Rather than addressing the underlying cause of this issue, which is the outdated and increasingly uneconomic electricity system in NSW and Australia, the network businesses are trying to charge solar customers more to reclaim their sunk costs on stranded assets and to make the renewable technology less competitive.

This is deeply unfair and self-serving. Households and businesses that are easing pressure on the grid by reducing electricity demand should be rewarded not punished.

This is just another example of the big electricity companies attempting to disrupt the solar industry. This creates uncertainty and confusion for households and businesses considering the installation of solar panels.

The Greens will strongly resist any attempts by the traditional electricity operators to discriminate against solar owners and people installing storage systems.

With 1 in 5 households in Australia now hosting solar PV and the costs continuing to fall, the future of the solar PV industry in NSW looks strong.

However the Greens will continue to campaign vigorously against any additional financial barriers to the uptake of solar PV. They delay the inevitable transition to a decentralised, clean electricity network, undermine employment and push up household costs.

2. A Fair Price For Solar Fed Into The Grid

There is currently no regulated minimum price that NSW solar owners are paid for the electricity produced by their solar system, fed into the grid and on-sold by their retailer.

Individual solar households have little power to negotiate with retailers and many more solar households will be in this position after the Solar Bonus Scheme wraps up in 2016.

Does your party commit to setting a regulated minimum retailer-paid feed-in tariff, set at a fair level for consumers who generate power and feed it back into our state's energy supply?

Yes.

The solar PV industry has repeatedly been the victim of unfair pricing policies in NSW.

Under the Liberal leadership of both Barry O'Farrell and Premier Mike Baird, households and businesses have been denied access to a consistent and fair pricing mechanism that would allow them to earn a fair return on their solar investment. As a result, the industry has slowed and jobs have been lost.

Under existing artificially low tariffs, electricity retailers receive the energy generated by rooftop solar panels for free and then on-sell it to other consumers for a profit. This is deeply unfair. The electricity companies are getting something for nothing at the expense of the households and businesses that are trying to reduce their carbon emissions and their power bills.

The Greens have been a consistently strong voice in calling for the introduction of a retailer-paid solar PV tariff to ensure the industry's future in NSW at no cost to taxpayers.

A fair feed-in tariff will encourage further investment in solar systems, creating employment opportunities, reducing the need for additional new transmission and distribution infrastructure and cutting greenhouse gas emissions.

The Independent Pricing and Regulatory Tribunal (IPART) has consistently undervalued the benefits of electricity from household panels.

The Greens believe that these cost-savings should be passed on to consumers, not pocketed by the electricity companies.

Pricing should also take into account the significant environmental and social benefit created by solar panels. Widespread uptake of solar PV would significantly reduce greenhouse gas emissions associated with energy production in NSW and protect households from rising power bills. These benefits must be incorporated into the retail-paid feed in tariff to reflect the true cost of solar and encourage the uptake of the technology.

The Greens' *Transforming NSW Energy Sector (Towards 100 percent Renewables) Bill 2014* contained provisions for a legislated minimum feed-in tariff for renewable energy.

2. Reverse Auction To Boost Community & Large-Scale Solar

Will your party commit to launching a reverse auction process to support community and large-scale solar projects (similar to the scheme that has proven so successful in the ACT*) to allow people who cannot put solar on their own rooftop to benefit from the renewable energy revolution?

Yes. The Greens are committed to transitioning to 100% renewable energy by 2030 and support a range of financing schemes to achieve this goal.

We recognise that the future of electricity generation is diverse, involving technologies of differing scales and forms including distributed sources like solar PV to large-scale centralised solar power plants. This ensures reliability and creates the opportunity for new models of energy generation and sharing.

With new technologies also comes the opportunity for varying business models and funding arrangements. The Greens believe that the NSW government should facilitate investment in renewable energy projects through reverse auctions or by offering "Green Bonds."

The Greens believe that the public sector plays a key role in driving reform in the energy sector, with programs like reverse auctions being a relatively low cost mechanism assist this process.

The Greens strongly support initiatives to encourage community-owned and operated clean energy projects. Such projects have the potential to unite members of a community and share the economic benefits that clean energy projects can offer. These projects are also critical to ensuring that those without access to the capital or physical assets to invest in small scale renewable energy technologies can pool resources and be a part of the clean energy economy. This is critical to ensuring that the transition to 100% renewables is equitable and inclusive.

3. Trial Solar Storage - The Way Of The Future

Does your party commit to launching a trial of solar with storage - the next big thing - at a household level (in 1,000 NSW homes) and also at a neighbourhood level to test innovation of

technology and business models that will allow solar to run day and night and help maintain our state's energy supply?

Yes. The Greens believe that battery storage has the potential to revolutionise the way electricity is produced and consumed.

Small scale energy storage is on the cusp of becoming commercially viable, potentially creating the opportunity for solar households to become virtually independent from the electricity grid.

By overcoming the issue of variability at a household level, battery storage will remove the reliance on the grid for overnight and cloudy-day energy.

A trial of solar storage is critical to assess the suitability of the technology to typical NSW patterns of household and small business demand and solar radiation. It will also help drive technology innovation in NSW.

Low cost electricity storage technology has the potential to initiate substantial change in the energy sector. Large numbers of solar households disconnecting from the grid would leave the remaining consumers with much larger energy bills to service the fixed costs of the distribution and transmission networks. In the extreme case, the wires and poles could become stranded assets. Apartment dwellers, low income households and renters could become trapped in energy poverty, paying for infrastructure that is no longer needed by the rest of the community.

Careful management of the transition will be necessary to ensure that the sunk costs are shared equitably and in a way that does not impeded the development of the solar industry.

The Greens also believe that mechanisms must be created to protect households that cannot gain access to solar technologies and storage from rising power bills and to create opportunities for them to become participants in the solar economy.

The Greens are committed to pressuring the NSW government to ensure these households are given access to energy efficiency, energy sharing and virtual net metering measures to ensure they can participate in the clean energy economy and reduce their power bills.

4. Ensure A Smarter NSW Power Grid

Does your party commit to ensure networks will take the necessary measures to accommodate more solar in the grid in the future, enable innovative elements like virtual net metering and peer-to-peer solar energy trading and other aspects of a smarter, decentralised grid?

Yes.

The electricity network in NSW is highly centralised and no longer fit to the next generation of energy technologies.

Designed to transport large amounts of electricity from coal fired power plants to consumers, the current structure and regulatory arrangements are hostile to the rollout of distributed energy technologies.

Substantial change to network hardware, protection relays and controls, communications and administrative arrangements are required to make the system fit to the demand of a 21st century energy economy.

Failure to make those changes will delay the transition to renewables and squander opportunities to generate jobs in Australia.

The Greens are committed to reforming the grid to better accommodate clean energy technologies and enable households and businesses to become active participants in the electricity market. We have recently announced a range of measures to achieve this goal, details of which are available at <http://nsw.greens.org.au/energy>

The Greens recognise that people without access to a viable roof space, including renters, should not be locked out of the solar energy market and the benefits it offers. We strongly support initiatives like virtual net metering to enable businesses and households to reap the economic and environmental benefits of off-site renewable energy generation.

The Greens believe that urgent action is needed to reform the electricity market rules to allow for peer to peer trading. If a household or businesses has excess solar electricity, the owner should be able to sell the electricity to another site, in order to maximise the economic outcomes for both vendor and purchaser.

The community and the environment have been poorly served by policy makers who have failed to embrace change. Inaction might serve the vested interests in fossil fuels and the existing network businesses, but it will drive up costs for households, squander the opportunity to create a vibrant export industry and unnecessarily perpetuate greenhouse gas emissions.

The Greens recognise that much more needs to be done to reform the electricity grid to make it ready for 100% renewables. We will continue to be a strong voice in the parliament and in the community to ensure that the old parties undertake the reforms necessary to create a renewable, efficient and fair 21st century electricity system.

5. Stand Up For NSW Solar Jobs – Protect The Ret

Will your party call on the Federal Government to drop its attempt to slash the 41,00 GWh national Renewable Energy Target, that supports thousands of NSW solar jobs, helps with the price of installation and lowers the wholesale price of power for all consumers, and instead to advocate for the expansion of the Target to at least 50% by 2030?

Yes.

The Abbott government's proposed cuts to the Renewable Energy Target have inflicted untold damage on the clean energy industry in NSW.

Uncertainty about the future of the scheme is responsible for stalling projects, driving away critical investment and undermining jobs. No other industry would be subjected to the policy back-flips and investment uncertainty that the federal and state Liberal and National governments have inflicted on the clean energy sector.

The Greens believe that waiting around for the federal government and parliament to respond is not an option that will work for the industry.

We are calling on the NSW Liberal-National Government to join the Greens in committing to state legislation to insulate NSW's current and future renewable energy generators against any reduction in the federal RET. The legislation will contain a clause that ensures it comes into effect only in the event of the federal scheme being weakened or removed.

The NSW solar industry will only prosper if the demand for their technologies remains buoyant regardless of the outcome of negotiations regarding the federal renewable energy target.

Thank you for the opportunity to outline the Greens NSW position on matters relating to solar power. Should you require further information please don't hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink that reads "John Kaye". The signature is written in a cursive, flowing style.

John Kaye