

# Executive Summary

## Solar Feed in Tariff Motion Information

- Jobs, jobs, jobs. Restoring a thriving solar industry is dependent on affording a reasonable feed in tariff (FIT). The solar industry creates valuable jobs. Every solar owner has invested to contain their cost of living or cut their cost of business. This drives a healthier budget for those investors. This benefit, in turn, spreads to the whole state economy all done with no subsidy from government. It also drives GST revenues and cuts unemployment costs.
- Bad information skewed the data. It created a bias against solar leading to poor decisions. This led the decision makers to believe that power fed into the grid was only worth the same as the cost to generate power. They didn't allow for any of the network costs avoided by the fact that power, generated by rooftop solar, is already refined and does not travel very far. The benefit of avoided network costs belongs to solar owners, not the whole network as the power companies say. There is a cross subsidy here which goes against the terms of reference that the TER had to follow. Therefore the true price of power has been skewed by the fact that these network costs are being avoided and the benefit not being passed on in the FIT.
- When you look at the motivation for buying solar now, the numbers hardly justify the spending. The unfair low FIT, coupled with negative attitudes by Government, drove away domestic customers in Tasmania and stripped confidence, further heavily eroded sales opportunities. Some companies are reporting drops of around 90% and some even higher. This has huge direct and indirect effects.
- An increased FIT with the network costs avoided included would increase the value of a solar grid system dramatically. This means that the returns for consumers in Tasmania make the investment worthwhile again. The time it takes for domestic systems to pay for themselves is reduced to around 6-7 years. And then the motivation for buying solar will return.
- The solar PV industry provided hundreds of direct jobs in Tasmania through system installation, plus office-based retail and administrative jobs. It provided jobs for the whole gamut of skill levels, from the low-skilled to the tertiary-qualified. It also supported diverse indirect jobs in sectors such as utilities (installing the metering), manufacturing in balance of system components, freight and distribution, financial, PR, vehicles, safety, industry associations, government and also hardware. Every solar system purchased by mums and dads contributed valuable GST revenues to the state coffers. The jobs that were lost could return but with increased numbers.
- Solar should be heavily encouraged in Tasmania because we have the opportunity to sell more of our clean energy to the mainland. Any power generated at any time reserves capacity in the dams. This strengthens Hydro Tasmania's position for export at premium rates than it would otherwise have by selling in the local market.
- History tells us that new industries need to be embraced not hindered. Solar is one of those industries. The solar industry is not experimental anymore. It is well established. Going back to a thriving solar power industry, partnered with our unique hydro system, is an opportunity to show the rest of the country that even in tough economic times, new and emerging industries can make it without subsidies and direct support. Just by doing what is 'fair and reasonable.'