



DEPARTMENT OF
THE ENVIRONMENT,
CLIMATE CHANGE,
ENERGY AND WATER

ACT Community Consultation – Canberra’s Energy

Meeting 2

Tuesday 16 February, 7.00pm–8.30pm
Belconnen Premier Inn, 110 Benjamin Way, Belconnen

Panel

Name	Title/Organisation
Greg Wicks	Facilitator
Simon Farnbach	A/g Director – Energy, Water and Waste ACT Department of the Environment, Climate Change, Energy and Water
Alan Traves	Senior Manager – Energy Efficiency Projects ACT Department of the Environment, Climate Change, Energy and Water
Paul Britt	Senior Policy Officer – Energy Policy Unit ACT Department of the Environment, Climate Change, Energy and Water

Participants

	Name	Organisation
1.	Catherine Zerger	RET
2.	Jim Bishop	Public member
3.	Chris Ryan	CJR Asset Management Pty Ltd
4.	Nick Mayo	Canberra’s Sustainable House
5.	Sarah Clayton	Canberra’s Sustainable House
6.	Ray Prowse	Public member
7.	Lyn Eriksson	Public member
8.	Marea Fatseas	climateXchange
9.	Andrew Saw	SEE Change
10.	Raymond Sammut	Public member
11.	Mark McGavock	Solar Gain PV
12.	Paul Room	Public member
13.	Howard Patrick	Public member
14.	Vanessa Morris	SEE Change
15.	Michael Dalton	ACT Property Group

16.	Laurie Hall	LDA
17.	Peter Marshall	Public member
18.	Shane Rattenby	ACT Greens
19.	Helen Oakey	ACT Assembly
20.	Rhonda Arnall	Public member
21.	James Varesos	Public member
22.	John Bain	Public member
23.	Vivienne Teoh	SEE Change
24.	Craig Shumacker	Nucleus 92 Inc
25.	Nora Preston	Wildlife Carers Group
26.	Ann O'Brien	Climate Action Canberra
27.	Chris Anstead	SEE Change
28.	Kaveri Chakrabarty	Public member
29.	Dave Parsons	ACTPLA
30.	Don Lawn	Nucleus 92 Inc
31.	Robyn Hall	Public member
32.	James Prest	ANU Centre for Climate Law
33.	Ian Bennett	Public member
34.	Simon Troman	IT Power Australia
35.	Sheryl Gertleed	Public member
36.	Kelvin Martin	Sunpath Solar and CIT
37.	Bernie Sunth	Public member
38.	Don Munro	KUCC
39.	Peter Gately	Belconnen Community Council
40.	Melanie Craddon	ANU Environment Student
41.	John Perth	Public member
42.	Eilleen Perth	Public member

Greg Wicks (Facilitator): Welcome to all participants. Tonight's proceedings will include: an introduction and overview from Simon Farnbach, the Acting Director, Energy, Water and Waste; a Feed-in-Tariff presentation summary by Alan Traves, Senior Manager, Energy Efficiency Projects; and a Draft Energy Policy presentation by Paul Britt, Senior Policy Officer, Energy Policy Unit. This will be followed by a Q&A session where you will have the opportunity to ask questions and provide feedback on the draft reports.

Simon Farnbach: This is the second community consultation session. The first was held in Woden the previous week. We are holding this session to provide individuals and interested groups on the north side with the opportunity to contribute.

Alan Traves: The Feed-in Tariff Scheme was introduced in the ACT in March 2009. This [*National Capital to Solar Capital – Options for an Expanded ACT Electricity Feed-in Tariff Scheme – December 2009*] is a discussion paper, not the preferred government position. The paper outlines a range of options and there are two sections. The first includes community ownership options and sharing of facilities operated by community groups. The paper considers what model might work? The second range of options includes the scale of tariffs and impact on the economy. We are interested in your views on the options listed in the paper.

Paul Britt: I will give a quick overview of the Energy Policy [*Draft Sustainable Energy Policy 2010 – 2020 - December 2009*]. This is a draft policy and we are seeking community views on options. Following its release in December 2009, submissions on the Policy will be received until 5 March 2010. The Policy is provided on the DECCEW website. The Energy Policy provides a number of outcomes. Outcome One: increased Energy Efficiency - the ACT Government has a strong record on decreasing energy, through rebates, regulating appliances and energy requirements for new buildings. Outcome Two: Cleaner Generation – consider utility providers carrying out energy efficient activities. Outcome Three: consider Increased Renewable Generation - consider a mandate that electricity retailers purchase green power. Outcome Four: Increased Customer Information and Choice – consider a roll-out of smart meters will be one way of increasing customer choice. Outcome Five: Maintain Equity. Outcome Six: Reduced Transport Emissions - through a transport action plan. Outcome Seven: Reduced Emissions and Generate Renewable Energy from Waste - currently at Mugga Lane Resource Management Centre methane is used to generate around 23,000 MWh of electricity per year. Future waste strategies will look at ways to generate energy from organic waste. Outcome Eight: ACT Government Carbon Neutrality. Outcome Nine: Ensure a Secure, Reliable and Diverse Energy Supply - currently the ACT has a single secure connection to the national electricity market, however a second connection is being constructed. Outcome Ten: Foster the Further Development of the Clean Economy.

Greg Wicks: At this point we will open the floor for your questions and comments on the draft papers.

James Prest: ANU Centre for Climate Law. The ACT Government should consider and encourage larger scale generation. Regarding feed-in tariffs, Australia seems to have a small scale view focussing on household generation. The 30 kilowatt limit is problematic. There is a link between community ownership of a facility and capacity limit. As an example, the community owned solar parks in Spain have an investment scheme run by private enterprise. The capacity for these is 3.2 megawatts. The ACT 30 kilowatt limit presents a problem. It's about economies of scale.

Greg Wicks: Thank you James, given you have raised a number of interesting points, we encourage you prepare a written submission to Alan Traves.

Nora Preston: Are you wanting to decrease the value from 50 cents to 37 cents per kilowatt hour? Is this correct?

Alan Traves: This is a draft recommendation by the Independent Competition and Regulatory Commission and is not binding for the Government. That paper is for the Government to consider in the context of environmental outcomes. If you believe this is an issue, I invite you to make a written submission.

Greg Wicks: Just to clarify this point, the lower amount per kilowatt hour is proposed for new connections. For those who have contracts already in place, the 50 cents per kilowatt value will remain for the life of the 20 year contract.

Ian Bennett: What is the position for ACT Government fleet vehicles to be green? What is the benefit of fitting solar power to ACT Housing?

Paul Britt: The ACT Government is currently looking at fuel consumption. Regarding ACT Housing, the government is looking at energy efficiency as part of the National Strategy for Energy Efficiency.

Alan Traves: The ACT Government has committed \$2million per year in its Climate Change Action Plan. There is also a significant maintenance budget for ACT Housing properties. The second Climate Change Action Plan is in development. Public consultation in the middle of this year will provide an opportunity to comment.

Kelvin Martin: CIT. Was confused that the 60 cents per kilowatt hour has been reduced to 50 cents. The price of industry regulation is too high. Thought that GST is included, therefore the amount is 50 cents. Advice from the ATO is that the price on 50 cents with GST is effectively 45 cents. This would be a difficult thing if people are selling their homes with systems in place and they sign up at 45 cents per kilowatt.

Alan Traves: The NSW Feed-in Tariff is 60c per kilowatt hour. ActewAGL payments are set at 50.05 cents per kilowatt. GST is payable only for those who are registered for GST. It is not 45 cents – it is actually 50.05 cents per kilowatt hour. ActewAGL recognised that they should not have been paying GST to households and have corrected the value paid to 50.05 cents.

John Bain: Retired scientist. The ACT needs to pay attention to the area of energy source. The report has overlooked ground source energy pumps. These provide a good constant source of 18 degrees Celsius. They work efficiently with no ambient temperature issues. The paper is not communicating this technology and Australia is generally ignorant of this option. The Government has an obligation to make the public aware of opportunities. It will pay back in a few years to 10 years. Ground source energy can be used in households, units, commercial buildings and schools. You can tap into waste water systems, as in Europe where they use “sewer mining” as a source of heat.

James Prest (ANU): The feed-in tariff paper discusses a cap. If a cap is introduced, investors will have a cautious approach. It will create an uncertain investment climate. Mr Prest referred the Government to a book titled “Feed-in Tariff Design” by Arne Klein. A cap on installation which is set in the initial stages of a feed in tariff scheme would send a negative message to investors. . It is premature for a cap on feed-in-tariff on the amount installed.

Alan Traves: The cap is inherent in the modelling in this discussion paper. The paper is showing modelling of a particular impact on the consumer for reasonable impact. There are 18 scenarios modelled in the paper. It is advantageous for the ACT to have a cap in place. If there is no cap, then there will be fear with investors that the government will wind up the scheme. If there is no cap, the impact on consumers will be unacceptable.

Ray Prowse: I work in the solar industry, as a designer/builder/installer. Germany uses photovoltaic technology. Australia has a lot more sun. Germany is a world leader in jobs and feed-in tariffs. The ACT can attract those technologies and jobs to the Territory. Do not discount orientation of systems which do not face north. It depends on the value of electricity at any one time. Heritage has a lot to answer for in terms of sustainability. As population increases demand increases and there will be more and more generating capacity.

Don Lawn: Have you considered employing a mathematical system for the tariff instead of cut-offs of system size? You can use constantly variable rates based on how the government wants to contribute. There is a general formula in legislation and there are examples of the government step systems and loop holes.

Howard Patrick: I am curious about the origins of community owned solar farms. Have you considered a managed investment scheme. This could be encouraged by feed-in tariffs. The paper has not addressed a range of possibilities, for example, involving the banking sector. In Spain 60 megawatts PV is the largest. You need to spell out investment options in the paper.

Marea Fatseas: I am involved with the climateXchange. There are a number of community consultations taking place this month related to addressing energy and climate change, such as an urban forest public consultation last night. What sort of mediums, whole of government advisory group or taskforce are in place to ensure policies are cohesive in impact? Need to ensure the best dollar value through different strategies.

Simon Farnbach: Departments are discussing these issues through an interdepartmental committee.

Ian Bennett: How do feed-in tariff rates compare in NSW? Can the electricity produced in one jurisdiction be sold into another to receive their tariff?

Alan Traves: NSW has a feed-in tariff system but only pays for generators in NSW and similarly the ACT will only pay feed-in-tariffs for contributions generated in the ACT. It would be worth talking to the appropriate NSW body to see how their scheme might operate.

John Bain: on page 6 of the Draft Sustainable Energy Policy in relation to items of greatest benefit, there is no reference to efficiency of building design. The report should specify green building design. There is no muscle – it needs to include whole of building design, passive solar and other options. The ACT can do this. Victoria is ahead on this and has shown what can be done.

Robyn Hall: I am a house owner with solar panels and solar heating. The ACT Government needs to do something to progress towards a result.

Nick Mayo: I represent Canberra Sustainable House. The report nominates 2060 as the year the ACT becomes carbon neutral. I don't understand why there is the 2020 target relative to business-as-usual. Why are you stretching the time frame out and adding 30 years to the process?

Simon Farnbach: It is a matter of presentation. Regarding emission savings, the 10 percent reduction is relative to the 2020 business-as-usual level.

Nick Mayo: The 1990 level is baseline. The target is more stringent.

Simon Farnbach: The targets are equivalent. The difference in the percentage reduction relates to the baseline used. Referring to the percentages on page 5 of the Draft Sustainable Energy Policy, there is a 55 to 65 percent reduction in emissions by 2020 relative to business-as-usual emissions. This is equivalent to a 25 to 40 percent reduction relative to 1990 levels.

Chris Anstead: I support ground heat. The Australian Geological Survey building at Symonston has ground heat incorporated. You could build a new suburb in Canberra with ground heat. Germany has high grade double glazed windows with good seals. There are also other related issues in house design that need to be considered.

Simon Farnbach: Geothermal considerations are not a deliberate omission but rather an oversight.

John Bain: The ActewAGL complex at Fyshwick is heated and cooled by ground heat.

James Prest (ANU): With district heating, there are incentives for renewably produced heat. The United Kingdom has requirements for renewably produced heat, for example hydronic heating and roof top solar collectors. They use pellet heaters for wood waste. Good source for heat pumps. The concept is that policy encourages renewably produced heat. This requires discussion of costs of the scheme. Need to look at the benefits.

There is a German BMU (Department of Environment) publication which describes the merit order effect, which is how increased production of renewable electricity can actually decrease the wholesale price of electricity on the spot market. The report describes the effect as being in the order of 5 billion euros per year, in 2006, based on a study by Fraunhofer ISI. There are also other economic benefits associated with solar electricity generation that need to be taken into account. One of these is the coincidence of solar generation at the peak time of day on summer afternoons when electricity demand is at its highest and supplies are most stretched.

Spain has a feed-in tariff with a fixed or premium on the wholesale market price. They are using large scale generators. There are significant incentive and economic benefits for the solar industry.

The ACT Government should look at economic benefits rather than costs of a Feed-in Tariff to decrease electricity costs for lower socioeconomic groups.

Kelvin Martin: For PV and other renewable sources, will there be three channels in meter for export? There should be incentives for green members for 9 star house electricity. Electricity is hard to store. Heat pumps which store water can run during the day when PV cells are connected and generating. Could use a system of drawing heat and heating during the day and a hydronic system or radiator at night. A

combination of methods will decrease consumption in real time. The goal is to take it to the next level.

Alan Traves: Regarding the comment on time of day pricing, all jurisdictions use average pricing. The ACT Government is committed to roll out of smart meters. The down side is being able to change behaviour to match pricing. We can look at other types of compensation. For time of day pricing the functionality will be there. In response to James, I am familiar with the German technology. The German economy is larger than that of Australia and the ACT. We will do what is achievable. We are hopeful in the future that more benefits are available.

Craig Schumacker: Nucleus 92 Inc. Feed-in Tariff is misguided. Cost of solar PV technology is far too high. It is an unpredictable power resource that is difficult to control in the grid so fossil fuel generators need to keep operating at all times. Feed-in tariffs are to the benefit of the wealthy subsidised by the less well off. A cap will get around this.

On behalf of Peter Lang, a retired geologist, I would like to note his comments on the Energy Policy: renewable energy costs a fortune in particular wind power and solar power; we do not support feed-in tariffs; we do not support government subsidy of renewable generators; we do not support renewable energy targets; we support nuclear power for Australia. Referred the Government to Barry Brooke's website at the University of Adelaide.

Ray Prowse: Regarding the cost of electricity from solar, ignore the feed-in tariff cost of electricity. The life of the system is 20 to 25 years. The cost of electricity is between 10 and 15 cents per kilowatt hour. It is not expensive when compared with electricity of any other source.

Don Lawn: Nucleus 92 Inc. You need to separate the dollar cost from energy cost. Power is subsidised. I would question the dollar figure of solar panels.

Craig Schumacker: The cost of investors and storage is a lot more than the cost of panels.

Nick Mayo: I refer to page 22 and electric vehicles. Regarding the battery storage provider and the vehicle being connected to the grid. What is the level of energy supply?

Simon Farnbach: I believe you are referring the Better Place model. Under this model the battery may be connected to the grid. Stored electricity can be fed back to the grid.

Howard Patrick: The Feed in Tariff paper's discussion about larger scale solar farm options doesn't give the community enough information to appreciate the level of investment. He believed it would cost \$16 million for a 5 hectare solar farm. Costs need to be highlighted in the report.

Alan Traves: this Discussion Paper is to identify the cost and benefits to looking at going beyond the 30 kilowatt limit. You could go to a specialist advisor for large scale investment advice.

Howard Patrick: The onus is on you to convey this to the people.

Alan Traves: A quantum level investment required to gain advantage.

Howard Patrick: ACT people have little idea of what is involved – you need to inform people.

Alan Traves: We are seeking the community point of view regarding costs beyond the 30 kilowatt level. Government is looking at solar farms in a separate process. There are industry players you can talk to.

Howard Patrick: There is not enough information about what is involved in more than 30 kilowatts power.

Alan Traves: We can have a separate discussion after this meeting.

Vanessa Morris: Is there potential capacity for an individual's own feed-in tariff not attached to their own home, such as transferring their panels to a community solar farm or to a roof of an apartment block?

Alan Traves: This is discussed in the paper, relating to community ownership. We are looking at a cooperative approach for the district and seeking feedback.

Greg Wicks: Thank you all for your participation – this concludes the meeting.

Meeting finished at 8.30pm