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# Solar industry slams Coalition's renewables policy

Gregg Borschmann *ABC Environment* 8 May 2014



Federal household solar subsidies may be cut, says John Grimes. *Credit: iStockphoto*

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The peak body for the Australian solar industry has delivered a broadside at the Coalition government, saying 'ideology' is driving energy policy in Australia.

THE PEAK BODY FOR the solar sector, the [Australian Solar Council](#), has abandoned diplomacy on the Coalition's energy policies, today aiming a broadside at the government.

Since the election of the Coalition government in September last year, the renewable energy industry in Australia has anxiously watched the groundwork being laid for the roll-back of Labor's clean energy reforms.

In public at least, a discrete and diplomatic truce has prevailed. But today, on [Radio National Breakfast](#), chief executive of the Australian Solar Council, John Grimes said he was drawing "a line in the sand".

It may not have \$22 million to splash on prime time TV, radio and print ads that were generated by the mining industry when it was threatened by former Prime Minister Kevin Rudd's mining tax. But John Grimes said the solar industry — with more than 18,000 jobs at stake — will mount a political marginal seat campaign in the lead up to the next election. It

will be similar to the recent successful community campaign rolled out during the re-run of the WA Senate election.

Grimes said the Solar Council is non-partisan. But it's being forced onto a political footing because the government is lining up to dump a number of promises and key commitments:

- \* abandoning the one million solar roofs program, which is likely to be axed before it's even launched;
- \* cutting the renewable energy target (RET) in half;
- \* scrapping the Small Scale Renewable Energy Scheme (SRES) for domestic consumers;
- \* pulling out \$1.5 billion of the remaining funding in the Australian Renewable Energy Agency (ARENA).

"We're calling the government on this, we are drawing a line in the sand, the problem is this government wants to take solar backwards," he said.

The significance of Mr Grimes' remarks is that they are not off-the-cuff. They were carefully considered before agreeing to an interview on RN Breakfast.

The attack came on the opening morning of the 52nd annual Australian Solar Industry Conference and Exhibition in Melbourne. Concerns over government policy and the future of both large and small-scale solar power are likely to dominate the two-day event.

"This particular government has gone beyond the pale," Grimes said. "This is ideological, it's being supported at the highest levels of the government, and this is a campaign to wind back support for renewable energy. We [have] engaged in good faith, we've provided good policy advice to governments over the years. We are completely non-partisan. We will support any party that has good solar policy.

"Any smart leader, you would think, would not want to stand on the shore and command the tide not to come in, to be wedded to the past.

"Their answer to too much electricity generation is to cut out solar electricity instead of retiring the oldest, least efficient, most polluting generation sources — the old coal fired power stations. So because they've made an ideological choice it's then skewing all the other decisions they are making. This is poor public policy and not in accordance with what the people of Australia want."

Businessman Dick Warburton, who is heading up a review of the Renewable Energy Target, said today on [AM](#) that in the context of the Coalition commitment to cut 2020 greenhouse gas emissions by a minimum five per cent "certainly renewables have their place in that particular equation".

But he warned that the review would be looking at the costs of renewables.

Mr Warburton said he believed the RET is causing "economic pain" to electricity consumers. "I'd like to believe that we'll look at this and say, now, is the cost of the RET worth the economic pain that you get by imposing it on the electricity consumers?"

Mr Warburton dismissed concerns Australia had lost its competitive advantage with relatively cheap and abundant energy. "Well, it is still cheap and abundant if you look at the black coal and the brown coal," he said.

John Grimes said the RET review was designed to deliver a pre-determined outcome to support the existing fossil fuel generators. "This review is absolutely a sham. The fact that the modellers won't even take into account the positive impacts of renewable energies on the network demonstrate it has no credibility and is not seriously doing the work of an independent review."

The problem is this government wants to take solar backwards

He said the feedback his organisation was getting back through political networks was that the existing legislated 'fixed' target of generating 41,000 gigawatt-hours (GWh) of energy through renewable sources would be cut almost by half, to as low as 21,000 GWh.

Grimes is concerned that if the target is slashed, "very few" large scale renewable projects will be built in the next 5 to 10 years.

### **Large-scale to suffer**

Much of the concern about the current review of the RET has focused on its impact on large scale renewable projects. Given current economics, wind power is likely to be hardest hit — wind would have filled most of the current 'fixed' target of 41,000 GWh.

The development of large scale solar and other renewable technologies is also likely to be hit with cutbacks to the main research body, the Australian Renewable Energy Agency, or ARENA. Funding for ARENA has already been trimmed by more than \$850 million.

"[ARENA] has been seen as a bucket of honey that successive governments have gone back and dipped into. It's a tempting central target," Grimes said.

And he's predicting more is to come. "We expect that in the budget next week up to \$1.5 billion worth of funding will be pulled out of the Australian Renewable Energy Agency. That is the research and development agency that funds and pulls through the renewable energy of the future."

Grimes believes the government is also set to phase out the Small-scale Renewable Energy Scheme (SRES). This will axe the last remaining federal subsidy for domestic users wanting to install solar photovoltaic panels (PV) panels on their roofs. SRES also supports solar hot water units, heat pumps, and small scale wind and hydro systems.

"We think support for the small scale scheme is finished and to soften the blow we expect they will make a concession towards small businesses, that they will phase this out for small businesses over time but close it completely for the general community. For a lot of people it will put going solar out of their reach."

Industry Minister Ian Macfarlane declined an invitation to be interviewed. But his office supplied a statement that said in part, "... the government is consulting widely for both the RET review and the Energy White Paper and won't pre-empt the findings.

"Australia has a diverse energy mix which includes traditional coal-fired electricity, gas and a range of renewables including wind and solar energy, and exciting new prospects in the form of options like wave energy. The Australian Government believes this diversity of energy sources will continue into the future," Mr Macfarlane said.

### **The tide continues rising**

The irony is that despite all these concerns, this week saw Sydney's biggest ever solar array in the CBD installed on a commercial building.

Michael Gartner is the managing director and one of the founders of Photon Energy Australia, which installed the 284 kW plant. Photon Energy was set up five years ago, and now specialises in supplying solar installations to businesses in countries like the Netherlands, Germany, Italy and Australia.

Even without the federal subsidy for large scale projects that helped deliver the Sydney CBD installation, Gartner predicts unstoppable growth for increasingly large solar arrays in the corporate market.

"We're talking [about solar arrays] from hundreds of kilowatts to megawatt scales and eventually we will be moving into power storage technologies, which will enable us to put in more solar and achieve more cost savings over time.

"Ultimately this will save [building owners] money and strategically it will be a very good decision because they will actually be able to produce their own power on site.

"The solar tide is unstoppable and we'll see many many more solar installations going in, solar is now one of the most competitive energy sources that we have available to us."