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Solar PV Household Scorched by WA Budget Cuts, but Future of Solar Undimmed

The WA State Government's announcement that the residential solar feed in tariff rate will be dramatically cut is disappointing, regressive and a massive betrayal of public trust, the Sustainable Energy Association (www.seaus.com.au) said today.

As part of its budget announcement today, the State Government plans to cut the net feed in tariff (FiT) rate from 40 cents to 20 cents per unit over the next year. This change will affect over 75,000 WA households that installed solar PV from mid-2010 to mid-2011 when the scheme was abruptly shut down. The Government says this cut will put approximately \$35million back into State coffers.

"Households were promised in writing that they would receive a set price for the electricity they exported for ten years. Now they will not even get a third of that. It's a huge betrayal of public trust, and they have every right to be angry," says SEA Chief Executive Kirsten Rose.

Two years ago, the New South Wales government also tried to renege on their FiT promises but changed their mind in response to public backlash over broken promises.

The Liberal State Government in WA implemented the FiT in 2010 to encourage the uptake of residential solar PV and then shut the scheme in mid-2011 when the capacity cap of 150 megawatts was reached.

"West Australians who installed PV before 2011 did so when those systems were more expensive than today, and their decision relied on the FiT. They invested both money and good faith based on those government incentives, only to have the goalposts moved once again by the Government."

"The highest rates of solar PV installation are in the working class 'mortgage belt' in WA, and households installed these systems as a way to insulate themselves against electricity price rises. Now they will see their bills go up. This shatters any remaining trust in Government promises," says Ms Rose.

This announcement does not affect anyone whose solar PV installation was approved after 1 August 2011, nor does it affect solar PV installations going forward.

"The single most important message is that the future for residential solar PV is still extremely bright in Western Australia, and consumers should not hold back on installing systems. There is currently no State Government support for Renewables in place, so there is nothing else to take away."





“PV stands on its own now – it is more affordable than ever, especially as electricity prices continue to go up. The payback time for an average system is as low as three years, and WA continues to install 2500 systems a month without a FiT. There is no reason that should slow down,” Ms Rose says.

Key facts:

- The residential net feed in tariff pays a set amount per unit of electricity that is fed back into the grid. This amount was 40 cents from the scheme’s inception in August 2010. It was lowered to 20 cents per unit for applications received after 1 July 2011. The scheme was suspended for new applicants on 1 August 2011.
- The scheme is administered by Synergy.
- The feed in tariff is separate from the Renewable Energy Buyback Scheme (REBS) rate, which is still in place. Under REBS, Synergy buys renewable energy from the customer at 8.8529 cents per kWh. The REBS rate for Horizon customers remains unchanged as well.
- The current residential tariff for one unit (one kWh) of electricity purchased is 26 cents.
- As of 30 June, there were approximately 139,300 residential solar PV systems in Western Australia, equaling nearly 310 megawatts. (Source: Clean Energy Regulator)
- 310MW of residential solar PV is roughly equivalent to the Collie coal-fired power station (300W), New Gen’s Kwinana combined cycle gas power station (320MW), or 30 times the size of WA’s largest solar farm, Greenough River (10MW).
- New PV systems are being added at a rate of approximately 2500 per month in WA. (Source: Western Power)

