

RENEWABLE ENERGY — RESIDENTIAL INVESTMENT

5763. Mr C.J. Tallentire to the minister representing the Minister for Energy

South West Interconnected System (SWIS) residential customers have bought 100 MW of renewable energy infrastructure and this contribution could go much higher. I ask:

- (a) does the Minister believe this continuing investment in renewable energy infrastructure by householders and business has a value to the community and the SWIS; and
- (b) if so, how is this value determined?

Mr J.H.D. DAY replied:

- (a) Investment in small-scale renewable energy has a number of benefits. Firstly, it helps the householder or business reduce their electricity costs. It also helps to reduce the system owner's carbon emissions. It is commonly claimed that small-scale renewable energy systems have a significant benefit in reducing peak demand and associated investment in expanding infrastructure capacity. In some cases these claims are likely to overstate the true savings these systems can deliver. More than 99.9% of household renewable energy systems are photovoltaic and thus generate only during sunlight hours, whereas peak demand in residential areas usually occurs after the sun goes down. This means that photovoltaic systems may not contribute to slowing the growth in residential peak demand and thus the need for network infrastructure upgrades may be unaffected. In fact increasing penetration of renewable energy systems may, in some situations, increase the need for network upgrades. Western Power is currently assessing the impact of photovoltaic systems through its Solar Cities project.
- (b) All owners of renewable energy systems receive the benefit of avoided energy purchases. In addition to this, eligible residential customers on the SWIS currently receive the Renewable Energy Buyback Scheme rate of 7 cents per kWh for energy they export to the grid. The rate reflects the price Synergy pays other generators at the time of day photovoltaic systems generate. This energy does not attract a renewable energy premium because Synergy does not receive the renewable energy certificates created from the system installation. The Office of Energy is currently considering ways by which Government can extend the Renewable Energy Buyback Scheme to small businesses.