

10th March, 2006



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Dear Evan

On behalf of the Western Australian Sustainable Energy Association (WA SEA) Inc. I would like to thank you for the opportunity to comment on the draft Rural Renewable Energy Program (RREP) – Guidelines for Medium Projects (typically 30kW to 2MW). Once again, this response is the result of direct industry consultation and meetings involving organisations with direct involvement in the design, supply, installation and research on systems that are proposed to be used in the RREP for Medium Projects. A full list of contributing organisations is listed in Appendix I.

WA SEA Inc. supports the stated objectives of the RREP to reduce greenhouse gas emissions, provide more effective electricity supplies in rural areas, assist in developing the renewable energy industry, assist development in regional areas and raise awareness of renewable energy.

WA SEA Inc. is keen to see both the RREP for Small and Medium projects commence as soon as possible. It is of great concern that no start date has been stated and we would like to know when both projects will commence.

Follow-up for RREP for Small Projects Submission

As was stated WA SEA Inc's RREP for Small Projects submission, industry is concerned about the proposed allocation of funding between both the RREP for Small and Medium projects. We are pleased to see that the funding for Small projects has increased from \$2 million to \$4 million with the ability to have this funding further increased depending on the success of the program.

WA SEA Inc requests further information on:

- How much is to the RREP for Small projects able to increase to.

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Response from SEDO for the RREP for Small Projects stated that 'commercial power producers' are eligible for the program needs further clarification. Industry would like clarification that this term is defined as Independent Power Producers.

WA SEA Inc. requests:

- Further clarification of the term 'commercial power producers'

WA SEA inc. would like to know what feedback has been received by the AGO in response to the initial requested changes to the RREP for small projects.

WA SEA Inc. requests:

- Notification of which recommendations put forward by SEDO have been accepted by the AGO. If this information is not available, please indicate when it will be.

Regarding system location, WA SEA Inc. is keen to know what selection criteria was used to choose the targeted shires for the program.

WA SEA Inc. requests:

- SEDO provides clarification of the 'defined process and specific criteria' used to select the targeted shires for the RREP program.

Most importantly, no commencement date for the program has been specified.

WA SEA Inc. requests:

- A commencement date for the RREP for Small projects be specified as soon as possible.

General comments on the RREP for medium projects

There is concern that no start date for the RREP for Medium projects is specified:

WA SEA Inc recommends:

- A commencement date for the RREP for Medium projects is specified.

WA SEA Inc. would like to know if the RREP for Medium projects will be reviewed after a certain time period to determine how effective it has been.

WA SEA Inc recommends:

- A review of the RREP for Medium projects to occur 12 months after the commencement of the program

Industry discussions with Western Power Networks, found that Western Power can better handle power systems sized 5 kW – 30 kW on the network in the fringe of grid area. Western Power Networks stated that the RREP for Medium projects will not

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change the approach to network design and infrastructure replacement programs in the fringe of grid area. It is also preferred that systems are located in areas where power supplies are relatively reliable as the infrastructure is in place to support renewables and that 5 kW – 30 kW systems in these areas would be of greater benefit to the network. Medium scale RREP systems may not be suitable for installation in the fringe of grid area due to requirement to upgrade existing infrastructure, hence this further supports the recommendation put forward by industry to increase funding for RREP for Small projects.

WA SEA Inc. requests further information on:

- The consultation SEDO has undertaken with Western Power networks and generation about both the RREP for Small and Medium projects

WA SEA inc. would also like to know if Independent Power Producers are eligible for RREP for Medium projects funding.

WA SEA Inc recommends

- The RREP for Medium projects are not solely customer focussed and should include Independent Power Producers.

Industry has also made the following observations relating to the program

- How does SEDO believe that end users will take up any of these programs when the economics of it show that a net metering rate only goes to 5 kW and the rate is \$0.1267 per kWh (ex. GST) at best for the majority of potential customers?
- What contribution, other than administration, is the State Government making towards this program? The State Government could provide assistance in covering additional costs which are not inclusive within these guidelines such as network assessment costs or assist in dealing with other network access related issues, such as providing network capacity currently available to State Generation, in a whole of Government approach to renewable energy.
- Industry commends the consultation which is occurring with industry relating to this program, but what consultation is occurring with the potential program recipients (Eg. Shires, local councils, community groups etc)
- Identify the communication strategy that will be implemented by the State Government to promote both the RREP for Small and Medium Projects to potential customers
- What are the procedures the State Government will undertake to actively monitor all new market entrants and ensure high product quality and service standards are maintained. There is concern about new market entrants who may wish to take advantage of this program, supply inferior products and withdraw at the completion of the program without providing after-sales support.

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WA SEA Inc. is keen to hear what process is used by SEDO to select which of these recommendations are put forward to the AGO and which are disregarded. Please be aware that industry would welcome the opportunity to support SEDO in speaking with the AGO about making these changes to the draft guidelines.

Finally, it must be noted that for the private sector renewable energy industry in Western Australia to successfully operate commercially, an increase in the feed-in tariff is required and legislation needs to be passed which supports a renewable energy target.

I look forward to your response relating to these issues, in particular clarification as to when the RREP program will start.

Yours faithfully



Johanna Gastevich
Executive Officer
Western Australian Sustainable Energy Association (WA SEA) Inc.

cc. Hon Fran Logan, Minister for Energy
Helen Lemin, Program Manager RRP GP, Australian Greenhouse Office

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APPENDIX I

Organisations involved in the review of the draft Guidelines for RREP for Small Projects.

1. 12 Volt Shop
2. BP Australia
3. Business Council for Sustainable Energy (BCSE)
4. ECS Consulting
5. Green Grid Power
6. Rytech Australia
7. SkyFarming
8. Solar Sales Pty Ltd
9. Solco Ltd
10. Venco/West Wind
11. Western Australian Local Government Association (WALGA)
12. Western Australian Sustainable Energy Association (WA SEA) Inc.
13. WA Solar Supplies