

17<sup>th</sup> January, 2019

Essential Services Commission  
Level 37, 2 Lonsdale Street,  
Melbourne VIC 3000

### Submissions to Energy Division – NECA Victoria

Dear Merryn,

Thank you for the opportunity to provide feedback regarding the proposed Feed-in Tariff (FiT). As the peak industry body representing the interests of the electrical and communications contracting industry across Australia, NECA has over 5,000 member organisations and our members employ around 100,000 people. In Victoria, we advocate on behalf of over 1300 members, who employ over 10,000 people. Over 40% of our members are directly or indirectly involved in small renewable generation through installation of solar cells and batteries to consumers.

NECA believes ongoing government support to encourage greater solar PV use is critical to the development of Australia's renewable energy capacity and to keep electricity price rises for consumers to a minimum. NECA supports the Victorian Government's Solar Homes Program to be delivered through Solar Victoria, encouraging the take-up of Solar PV, Solar hot water and Batteries.

We also support the decision to set minimum feed-in tariff (FiT) rates to apply from 1 July 2019, however we continue to ask governments to provide greater certainty to encourage long-term investment in the sector and to deliver benefits to consumers stable energy pricing, including a sustainable FiT to encourage the take-up of solar.

Advice from our members indicate the initial FiT tariff certainly achieved what it was intended to do which was to stimulate the industry and assist in creating the critical mass to provide economies of scale.

The proposed peak time-varying FiT rates from 29 c/kWh to 14.1 c/kWh in our view may have an unintended consequence for consumers who may not see a reasonable return on investment which could impact the take-up of solar panels. Should consumers not see a reasonable credit on their bill when exporting any excess renewable electricity generated to the grid, support for the solar home programs may be impacted. This in turn, may negatively impact our members who have been keen supporters in the development of the solar industry within Victoria.

NECA is of the view that the time varying FiT rate of 29 c/kWh should remain the same for the 2019/20 period in order for consumers to continue to be motivated to install solar cells and in so doing, encourage the environmental benefits of renewable energy.

NECA encourages the Essential Services Commission to seek out peak body associations such as ours in future reviews.



**James Keegan**  
Executive Director



**Rob Peyerl**  
General Manager – Technical Services