MASTER ELECTRICIANS AUSTRALIA

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19 November 2015

Queensland Productivity Commission
PO Box 12112
George St
BRISBANE QLD 4003

Re: Solar Feed-In Pricing in Queensland

Dear Sir/Madam,

Master Electricians Australia (MEA) appreciates the opportunity to contribute to the Queensland Productivity Commission's inquiry into solar feed-in tariff pricing in Queensland.

MEA is a dynamic and modern trade association representing electrical contractors. A driving force in the electrical industry and a major factor in the continued success and security of electrical contractors, MEA is recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. The organisation's website is: www.masterelectricians.com.au.

We have chosen to limit our responses to some key issues of specific concern to our membership and the wider electrical contracting industry.

MEA supports the findings of the QCA in its 2013 final report, *Estimating a Fair and Reasonable Feed-In Tariff for Queensland* that feed-in tariffs should be funded by electricity retailers, not regulated network businesses. Retailers receive a more direct and predictable financial gain from a feed-in tariff arrangement due to the avoidance of costs they may otherwise incur in purchasing electricity from the National Electricity Market (NEM). Such an approach will inevitably result in retailers passing on this added cost to PV users in the form of a reduced feed-in tariff. This will see consumers with solar PV receiving less for the energy they export back into the grid. However, the overall benefit for all Queensland consumers in terms of reducing electricity prices rises would outweigh any negative impact on these individual customers.

We would also support measures that would encourage consumers to utilise battery storage in conjunction with their solar PV installation. Currently the cost of storage technology can be prohibitively high making it quite unattractive for those who have the option to simply buy relatively cheap electricity from the grid. If more resources can be directed to refining this storage technology in order to make it more affordable, there is a likely to be a stronger uptake of solar power as an energy alternative. A tariff structure that would reward users of battery banks for solar PV may act as the added incentive needed for consumers to embrace solar power options. This targeted tariff structure could be similar to a maximum demand tariff, providing genuine saving to those utilising solar PV and in turn reducing the peak demand pressure on the grid.

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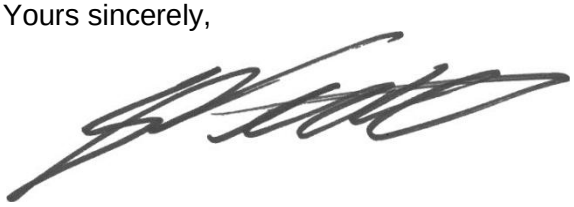
MEA would be eager to be involved in any further consultations on these issues as the inquiry progresses.

Yours sincerely,



Gary Veenstra
State Manager - Queensland

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