

Question on Notice
No. 401
Asked on Thursday, 13 March 2008

QUESTION:

Mr Lee asked the Minister for Sustainability, Climate Change and Innovation (Mr McNamara) — Will the Minister provide details about the benefits to Queenslanders of the new Solar Bonus Scheme?

ANSWER:

The Queensland Government is serious about responding to climate change. We have demonstrated our resolve to tackle this issue by committing to a national target of 60 per cent reduction in greenhouse gas emissions by 2050 and launched *ClimateSmart 2050* our climate change strategy in June 2007. A key component of our response to climate change is supporting renewable energy, including solar.

The Solar Bonus Scheme, which will pay Queenslanders for the electricity generated from solar power systems and fed into the electricity grid, was announced soon after the Queensland Solar Homes Program announcement in March this year.

Implementation of the Solar Bonus Scheme is being coordinated through the office of the Minister for Mines and Energy.

Solar power systems on Queensland homes and businesses can provide zero emission energy and reduce electricity bills. The Queensland Government has recognised that the initial up-front cost deters most homeowners from installing domestic solar power systems.

To encourage the uptake of solar power systems in Queensland, the Premier announced on 5 March 2008 the introduction of the Queensland Solar Homes Program. This Program will result in the installation of an additional 1,000 solar power systems for Queensland households who want to reduce reliance on grid electricity and reduce their greenhouse gas emissions.

Under this industry development initiative, the Queensland Government will secure a price that is substantially lower than current market retail prices for 1,000 solar power systems.

The current retail price for a 1 kiloWatt (kW) solar power system is approximately \$13,000 to \$15,000 installed. The Queensland Government will underwrite the Program through a contract with the successful tenderer to supply and install 1,000 systems at a secured bulk purchase price. It is intended that the bulk purchase arrangement could reduce the installed cost of a 1 kilowatt solar power system to approximately \$9,000 - \$10,000 (excluding the Australian Government rebates), which is a saving of \$4,000 - \$5,000.

The Australian Government currently provides an \$8,000 direct rebate and an additional \$500 to \$700 through the sale of the Renewable Energy Certificates that the system generates, which would further lower the cost. The actual price offered by the installer will depend on the agreed contract between the Queensland Government and the successful supplier.

There has been an overwhelmingly positive response to this new climate change initiative with over 5,000 Queenslanders contacting the EPA to express an interest in just three days. As a result, there will be a ballot to select the 1,000 eligible participants.

I would like to congratulate those Queenslanders who have voiced their interest so quickly and clearly. This initiative has demonstrated that the level of interest and support in Queensland for renewable energy and home-generated solar power. For the solar industry, this is an opportunity to work with Government to build demand and capacity.

Suppliers and distributors of solar power systems will be invited to submit an expression of interest to supply and install 1,000 systems. Benefits include local employment opportunities, increased profits and investment in the sector.

The installation of 1,000 solar power systems is expected to avoid approximately 1,700 megawatt hours (MWh) of grid electricity use per annum, much of which occurs during commercial peak times, and reduce annual greenhouse emissions by 1,700 tonnes or the equivalent of removing about 340 cars from the road each year.