

BP Solar Wants More Incentives For Solar Power Producers

The release of the Prosser uranium report has coincided with a report by BP Australia's solar unit that claims it is possible for 20 per cent of Australia's new peak energy needs to be met by providing a financial reward for households which invest in solar photovoltaic power.

Mark Twidell, regional director of PV solar panel manufacturer BP Solar Australasia, says providing an incentive to invest in commercial solar power could markedly increase the amount of peak power generated during high summer temperatures, as demand soars.

"Australia's peak power needs are growing every year, and in some states it is growing at four times the rate of base load demand," he says.

"During times of peak energy demand wholesale electricity prices can be more than 100 times the average. It is also at this time that the power generated from a solar system reaches its maximum.

"Why then, at these times of peak electricity demand are Australia's solar homes only receiving the standard, flat retail price for the electricity they are generating?"

He is calling on Australia's State Governments to follow South Australia's lead and introduce policies that recognise the role solar PV can play in meeting Australia's growing peak electricity needs.

In October, the Rann Government said it would adopt a feed-in tariff policy which will see households paid a premium tariff for surplus electricity fed back into the grid. Under proposed legislation, the Government double the amount they get paid for the power.

BP Solar says such policies encourage investment in the technology and overcome the upfront cost barrier that exists today.

Twidell says economic modelling demonstrates how more than doubling the tariff paid for electricity can create a financial incentive for solar PV investors.

"Our studies show that by fairly compensating solar PV investors the number of Australian households with installations can jump to more than 100,000 by 2010. That is an increase of 300 MW of emissions free peak electricity being produced when we need it the most," he says.

"Across the country there are plans on the drawing board to invest more than \$24 billion over the next five years in traditional peak power infrastructure due to the steady rise in the use of air conditioners. This level of investment could be offset with policies that appropriately reward solar PV generation.

[Source esaa news]