

Solar feed-in tariffs too costly: Ferguson

Solar feed-in tariffs inflate electricity costs and deter other forms of renewable energy, according to Federal Energy Minister Martin Ferguson.

Ferguson says feed-in tariffs are an inferior way to promote renewable energy and Australia should instead rely on its mandatory renewable energy target to encourage the uptake of clean energy.

“As a government, we cannot predict which renewable energy technology will best deliver the economic and environmental outcomes we desire throughout the coming decades, and nor at this stage should we try,” he says. “It is too early to be picking winners.”

Solar feed-in tariffs artificially inflate the price of solar power to 300 or 400 per cent higher than other renewables and potentially push cheaper renewables out of the market, according to Ferguson.

He says German consumers have paid €1 billion more on their power bills in a single year to cover the costs of their solar feed-in tariff.

“That is the price of picking winners,” Ferguson says.

Ferguson argues Australia should use a renewable energy target to make sure consumers get the cheapest possible green power.

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