

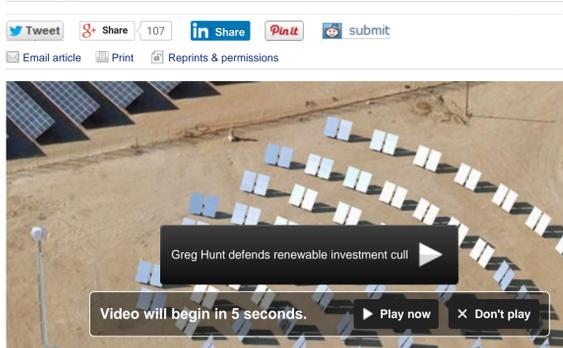
Government pulls the plug on household solar

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Greg Hunt defends renewable investment cut
Clean Energy Finance Corporation's 'core mandate' is to invest in 'emerging and innovative technology' says the Environment Minister. Courtesy of ABC News 24.

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The Abbott government has opened up another front in its war on renewable energy by pulling the plug on investments in the most common form of alternative energy, rooftop and small-scale solar.

As a longer backed over the government's directive to the Clean Energy Finance Corporation to no stem rapid wind energy projects, it emerged that it has also put a stop to solar investments other than the largest industrial-scale projects.



Another photo to renewable energy: The government has pulled the plug on investments in rooftop and small-scale solar. Photo: Marc Stapelberg

The solar industry has been left fuming by a letter to the CEFC by Treasurer Joe Hockey and Finance Minister Mathias Cormann in which they direct investments in household and small-scale solar to be "excluded" from the \$10 billion fund in future.

The draft investment mandate calls for "mature and established wind energy technologies ... to be excluded from the corporation's activities, including extant wind technology and household and small-scale solar".

Currently, about a third of all CEFC investments involve small-scale solar. The corporation, which has produced more than a \$1 profit for the government for every \$1 invested, was assessing \$500 million in finance for solar projects valued at more than \$1 billion.

There are 1.3 million rooftop solar systems in Australia and most households receive publicly-backed rebates to install, but the CEFC has made a priority projects that help people who do not own their own homes, those who live in apartments and community groups to invest in solar panels.

This month, a \$100 million deal between the profit-making corporation Origin Energy to facilitate solar take up was announced.

The CEFC would not comment on Sunday but solar industry leaders have become aware of the contents of Mr Hockey and Senator Cormann's letter.

Australian Solar Council chief executive John Grimes accused Tony Abbott of playing "cynical politics" after the Prime Minister insisted on Sunday that his government "supports renewables" but wants to "reduce the upward pressure on power prices".

Mr Grimes said the CEFC had made it impossible for low-income people and retirees to invest in solar and take advantage of the power bill savings that flow.

"Tony Abbott is keeping people trapped paying higher electricity prices," Mr Grimes told Fairfax Media.

The government tried and failed to abolish the profit-making CEFC after failing to get Senate support and its latest strike against wind and solar is expected to further scare to get energy investors away from Australia, Labor and the Greens claim.

"While the CEFC exists, what we believe it should be doing is investing in new and emerging technologies, certainly not existing wind farms," Mr Abbott said.

In a letter to Mr Hockey and Mr Cormann in February, CEFC chairwoman Jillian Broadbent pointed out that the act governing the corporation compelled it to "facilitate increased flows of finance into the clean energy sector" rather than only pursue emerging technologies.

A copy of the latest investment mandate from the government in March does not specify anything about not investing in established renewable, only that the CEFC should "help mobilise investment in renewable energy, low-emissions and energy efficiency projects".

The CEFC website states its investment focus as being on projects at the "later stages of development which have a positive expected rate of return and have the capacity to service and repay capital." The CEFC Act currently only excludes investment in carbon capture and storage, nuclear technology or atomic power.

Shadow environment spokesman Mark Butler said: "These proposed changes go well beyond Tony Abbott's opposition to the aesthetic values of wind farms - it's a wholesale attack on renewable energy."

"Tony Abbott is broadening his assault on renewable energy technologies putting thousands of Australian jobs and billions of dollars in investment at even further risk."



Abbott government ending investments in solar energy: Treasurer Joe Hockey. Photo: Jerome Favre

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I have only one question ... how many of these politicians have shares in the electric power company's. I can see no other reason that they would stop support for any form of alternate energy. I personally believe it should be mandatory for homes to be built with renewable energy, particular those is high sunshine hours areas.

Solar supporter | Gold Coast July 13, 2015, 8:35AM

@Solar supporter. Why do people feel the need for government to subsidise everything then complain when they raise taxes?

Piped Piper | July 13, 2015, 8:42AM

This is madness. Once harnessed, the sun and the wind provide pollution-free energy. How dare Abbott seek to hold back the technologies that the rest of the world adopts at a growing rate. You will ultimately fail, Mr PM. Your Tony reign will eventually end (probably in tears) and the country WILL progress...you won't hold us back for ever - only for a blink in time.

EBAB | St Lucia July 13, 2015, 8:52AM

Why? Because they subsidize their own travel expenses all the time. From tax payer money. So why shouldn't the taxpayer get into the act? It's only fair.

Pluto | Melbourne July 13, 2015, 8:53AM

PP: I don't know. How about you ask the mining industry?

Jace | July 13, 2015, 8:53AM

Aside from money being wasted on Mature technology that is not improving out environmental position you should be building large scale solar plants etc or at least lending moneys for such things !!

BigTedd | Brisbane July 13, 2015, 8:54AM

@Piped Piper With this LNP deck of stacked cards we really are #RacingExtinction. I fear what they will do next.

Lost 4 Words | watching with deprecation July 13, 2015, 8:57AM

If wind and solar power are financially sustainable then the business model will attract investors probably including yourself. Taxpayers are not investors and do not need to subsidise industry. Taxpayers can support R&D into clean energy sources - but that is where it stops. You should be thankful we have a Coalition government looking after the country's finances.

Jackson | July 13, 2015, 9:07AM

Quite right Piped. When will these rent-seeking industries stand on their own two feet ?

Hacka | Canberra July 13, 2015, 9:08AM

just more & more lies from this untrustworthy & backward government. This is a step too far, now intentionally destroying an entire multi-billion dollar industry, thousands of jobs & the possibility of inexpensive electricity into the future. This government borders on insanity.

Observed | July 13, 2015, 9:08AM

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