

14th Sept 2012

Submissions
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001
Email: electricity@qca.org.au

Re: Estimating a Fair and Reasonable Solar Feed-in Tariff for Queensland

Dear Sir/Madam,

Thank you for the opportunity to submit comments in relation to the Estimating a Fair and Reasonable Solar Feed-in Tariff for Queensland. Suntech is one of the world's leading photovoltaic module manufacturers utilising technology jointly developed with the UNSW. Suntech employs 30 direct staff in Australia through our commercial offices at Suntech Power Australia and our research facility at Suntech R&D Australia. Suntech invests over \$5million annually on R&D in Australia to further advance our leading technology position.

The key recommendations of our submission are:

1. Net rather than Gross tariff.

Installing a residential or commercial photovoltaic (PV) system is no different to a consumer electing to install any other energy efficient appliances or technology, therefore leading to a reduction in on-site energy consumption. It is essential that the fair value tariff is only applied to any exported electricity, since it is the consumers right to manage their own electricity consumption within their premises. This encourages the end users to manage their own electricity usage effectively, thus reducing the demands on the network which would be passed on to other consumers.

2. Fair value set as a % of time of use charge levied by the retailer.

Establishing the fair value price for exported electricity as a percentage of the value charged for consumption provides an automatic adjustment in the tariff to account for time of use generation and hence peak demand. It also automatically accounts for any future changes in electricity price. Previous studies conducted by SKM and APVA indicate that this level is between 70% to 80% of the residential end user time of use electricity charge.

3. Regulate fixed electricity supply charges.

Energy retailers and distributors are in a near monopoly position, and the key to keeping electricity prices to end consumers low is to provide competition within a level playing field. One of the ways that energy retailers may attempt to distort the market is to increase their fixed charges at the expense of time of use (peak demand) charges. This would reduce the customers incentive to minimise their own energy consumption, and in turn lead to an increase in the need to fund expensive upgrades to the distribution and transmission network.

4. Reward generation where it provides greatest grid benefit.

Solar PV is able to provide additional network support through frequency control, voltage ride through and reactive power. Where applicable solar PV generation should be compensated for providing an additional benefit to the grid and increasing network reliability, as has been demonstrated in Germany and in Australia on other high penetration networks.

5. Examine Wheeling arrangements to lower end user electricity prices.

If consumers are able to sell their excess generated electricity to other users within the same distribution network, allowing for a mandated energy distribution charge, this will greatly enhance both competition and the effective deployment of energy generation where it will provide the greatest benefit.

Sincerely,



Stefan Jarnason
Technical Director
Suntech Power Australia



Suntech Power Holdings

Suntech Power Holdings Co., Ltd. is the world's largest producer of solar modules for residential, commercial, industrial, and utility applications. Founded by eminent solar scientist and Australian citizen Dr. Zhengrong Shi in 2001, Suntech's mission is to provide everyone with reliable access to nature's cleanest and most abundant energy source. With regional headquarters in China, Switzerland, Australia and the United States, and gigawatt-scale manufacturing, **Suntech has delivered more than 20 million solar modules** in more than 80 countries.

The company has witnessed tremendous success in the last 10 years; in fact, Suntech by the end of 2011 Suntech had delivered **more than 5.5GW of solar modules** that have been installed by customers and partners around the world. These modules generate enough clean electricity to offset approximately 3.8 million tons of CO² per year: this is similar to planting 10 million trees or removing 1.6 million cars from the road. With growing adoption of solar among more and more countries around the world, Suntech aims to achieve the 10GW milestone in the next two years.

All of Suntech's R&D programs have a clear goal – to **reduce the cost of harnessing solar energy and increase the performance of solar cells and modules**. Suntech has assembled a global R&D team of 450 full-time professionals around the world working to provide our customers with superior, high performance solar products for every application. Suntech's SuperPoly and Pluto™ cell processing technology are contributing to the growth of Suntech's installed capacity around the world, and will be playing an important role in achieving the 10GW milestone.

Suntech invests internationally and works with local partners around the world to create local jobs and make solar affordable for everyone. In fact, **every 10 jobs in Suntech factories create 15 jobs in local customer markets!**

With the goal of achieving retail grid parity in 50% of global markets by 2015, **Suntech delivers what customers value most – bankable solar**. Our customers have come to realize that they are buying a 25-year relationship, and not just a product.

Suntech is committed to reducing the solar cost through scale-up economy, value chain development and technological innovation as it believes it can play a significant leading role in promoting solar power worldwide, and help make solar energy more affordable for everyone.

Suntech Power Australia

Led by Dr Zhengrong Shi, an Australian Citizen who studied Photovoltaic's at the University of NSW (UNSW) with Suntech's Chief Technology Officer Professor Stuart Wenham, Suntech is very proud of its strong Australian origins. The solar cell technology that is currently being deployed all around the world was originally developed in conjunction with the UNSW, with royalties continuing to flow back to the UNSW.



As the wholly subsidiary of Suntech Power Holdings, Suntech Power Australia was founded in 2007 with Jenny Lu as Managing Director. Suntech have held the leading market position in Australia since 2008, and offer the highest level of customer support through their comprehensive technical support team led by Technical Director Stefan Jarnason, who has over 15 years of diverse photovoltaic industry experience. Suntech is committed to supporting the continued growth and investment in Australia's solar industry through the provision of premium quality solar products, technical support, business partners and industry involvement.

Suntech Australia's team comprises 30 professionals focusing on the following activities:

- Expansion of the residential, commercial and utility solar PV industry.
- Collaboration with local distributors, installers, energy companies, renewable energy developers, and EPC construction companies.
- Research and Development to further enhance product efficiency and lower costs.
- Proactively lobbying governments to implement cost effective solar support mechanisms.
- Working with industry and regulatory bodies to reduce barriers to solar PV electricity generation.

Suntech R&D Australia

Suntech R&D Australia develops advanced silicon cell technologies and promotes quality in manufacture through improved process controls. Suntech R&D Australia is an experienced team of 20 PV scientists and engineers headed up by Dr Renate Egan who have been working together on **developing advanced silicon photovoltaic technologies for over fifteen years.**

Building on the relationship between Suntech and the world-class photovoltaics research at UNSW, Suntech is increasing its activity with UNSW and other research partners in Australia through the establishment of a the Solar Industrial Research Facility (SIRF) at UNSW.

"We believe that, in establishing Suntech R&D Australia, with a focused strategy and the right team, we will add significant value to the company's global R&D resources" said Dr Zhengrong Shi in 2011. He adds "Suntech celebrates 10 years since foundation this year, and we have funded research and development in Australia since our earliest days. I look forward to the increased activity and technology developments that will result from our investment in Suntech R&D Australia."