

Drive our Economy Forward

Tasmanian
Liberals



Backing Business to Invest in Renewable Energy

What the Tasmanian Liberals will do...

We will take a leadership role in facilitating investment in renewable energy. The important first step in conjunction with business and local government will be to ensure that wind-mapping is undertaken to ascertain the viability of the wind resource in different locations. We will also offer a loan scheme to Tasmanian businesses to invest in wind power and develop a framework to encourage greater private investment in renewable energy.

Capitalising on natural advantage for a sustainable future

Tasmania lies in the path of the Roaring Forties – the prevailing westerly winds that circle the earth's high southern latitudes. This gives us excellent resources for generating wind power. There are currently two wind farms operating in the State, and other developments are in the pipeline. There are also a number of privately owned wind turbines in the State, on Flinders Island, and at an innovative Tasmanian company, Nicholas Poultry.

The Nichols Poultry Farm at Sassafras operates a 225kW wind turbine to run its processing plant, and feed surplus power back into the Tasmanian electricity grid. We believe that more Tasmanian businesses, especially agri-businesses, can benefit from harnessing our wind energy resource in this way and we will back them to do it.

Backing business to invest in renewable energy

Wind turbines are not cheap. The planning process for installing a wind turbine is complex and tariff structures are uncertain, whilst another impediment is the lack of wind-mapping at a local level so that potential investors can understand how suitable their site might be.

As a first step towards encouraging private investment in renewable energy, a Hodgman Liberal Government will provide \$250,000 in partnership with business and local government bodies to undertake wind mapping at local sites with potential for wind turbines.

A Hodgman Liberal Government will also extend the current loan scheme available to assist farmers with the capital costs of building dams on farms so that it can be used to support investment in wind generation. Businesses will then be able to apply for support through this scheme to assist with the up-front costs of installing a wind turbine.

Leadership and vision for the future

Authorised by Will Hodgman MP, Parliament House, Hobart TAS 7000

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Planning issues and tariff structures must also be examined to ensure that Tasmania has a framework that supports private investment in wind power.

Feed-in tariffs more broadly are an issue that needs attention in Tasmania, both in relation to small-scale commercial proposals as well as in residential situations. We are currently awaiting the government's response to a review of this matter which it undertook last year. However we are committed to delivering the business environment that will facilitate our policy.

Benefits

Electricity prices for businesses have increased by over 31% in the past 18 months and are a major constraint on business. A policy to assist businesses to invest in generating their own renewable energy will help put them on a more sustainable footing and shield them from further price shocks, such as the impact of a Carbon Pollution Reduction Scheme.

Our plan will decrease demand for Hydro power, boosting our dwindling dam levels, and allowing Tasmania to import less coal-fired power from the mainland.

What needs to occur now?

Wind mapping

This is a crucial first step in the process of developing further private wind generation assets and a Hodgman Liberal Government will provide assistance to facilitate wind mapping being undertaken.

Currently any individual who wants to develop a wind generator needs to understand the availability of the wind at the particular chosen location.

The Federal Environment Department has done some wind mapping, through its *Renewable Energy Atlas of Australia* (see www.environment.gov.au/renewable/atlas).

This material is however not detailed enough for site specific use. As a result up to 12 months' data will usually need to be captured to ensure that evidence of sufficient wind is available to underpin a robust business case.

We will provide \$250,000 over two years, in conjunction with business and local government, to map the availability of the wind resource. Applications will be accepted from private sector entities as well as local government, including the new water and sewerage corporations.

Planning challenges and Tariff structure

Currently planning schemes vary across the State regarding how this type of development would need to proceed. To ensure consistency, a set of protocols for small scale (i.e. up to 10 MW) wind farms will be developed.

Tariff structures also need to be addressed and whether any feed in tariff should be based on net consumption or gross generation and what rate would be commercially attractive. Currently a discussion paper has been released by DIER however no response as yet has been forthcoming from Government.

We will within the first 6 months of being in Government convene a taskforce to consider and present solutions to Government regarding planning matters and tariff structures.

Capital assistance

Development of wind generation of any capacity will be capital intensive. We understand this. However subject to the development of planning protocols and acceptable tariff structures we want to send a clear message to business and local government that we will encourage and support investment in renewable energy generation. Whilst solar installations receive significant federal government assistance there currently are no incentives other than renewable energy certificates available to those who invest in small scale wind generation. This will change under a Hodgman Liberal Government.



Leadership and vision for the future

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The Government has set aside a \$100M loan scheme to assist industry affected by the Global Financial Crisis. This scheme was recently extended to allow farmers to access competitive loans for water development. We believe that investment in wind generation should also be able to access these loans at a competitive rate.

Therefore subject to meeting predetermined criteria, loans of up to a maximum of \$750,000 will be available to suitable applicants. These loans will be at the same preferential interest rate currently offered to water developments.

Our policy is not designed to benefit large scale generators such as Roaring Forties, or Hydro. Rather it is aimed at assisting private investment in embedded assets up to a maximum 10MW of generation.

This policy is about showing the leadership and vision for the future to capitalise on our wind energy resource and making Tasmania a more competitive place to do business.



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