



Victorian Government Programs Overview

Energy Saver Incentive Small scale feed-in tariffs

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Government's goals are to maximise:

- Energy security, affordability and safety
- Economic benefits from Victoria's energy resources.

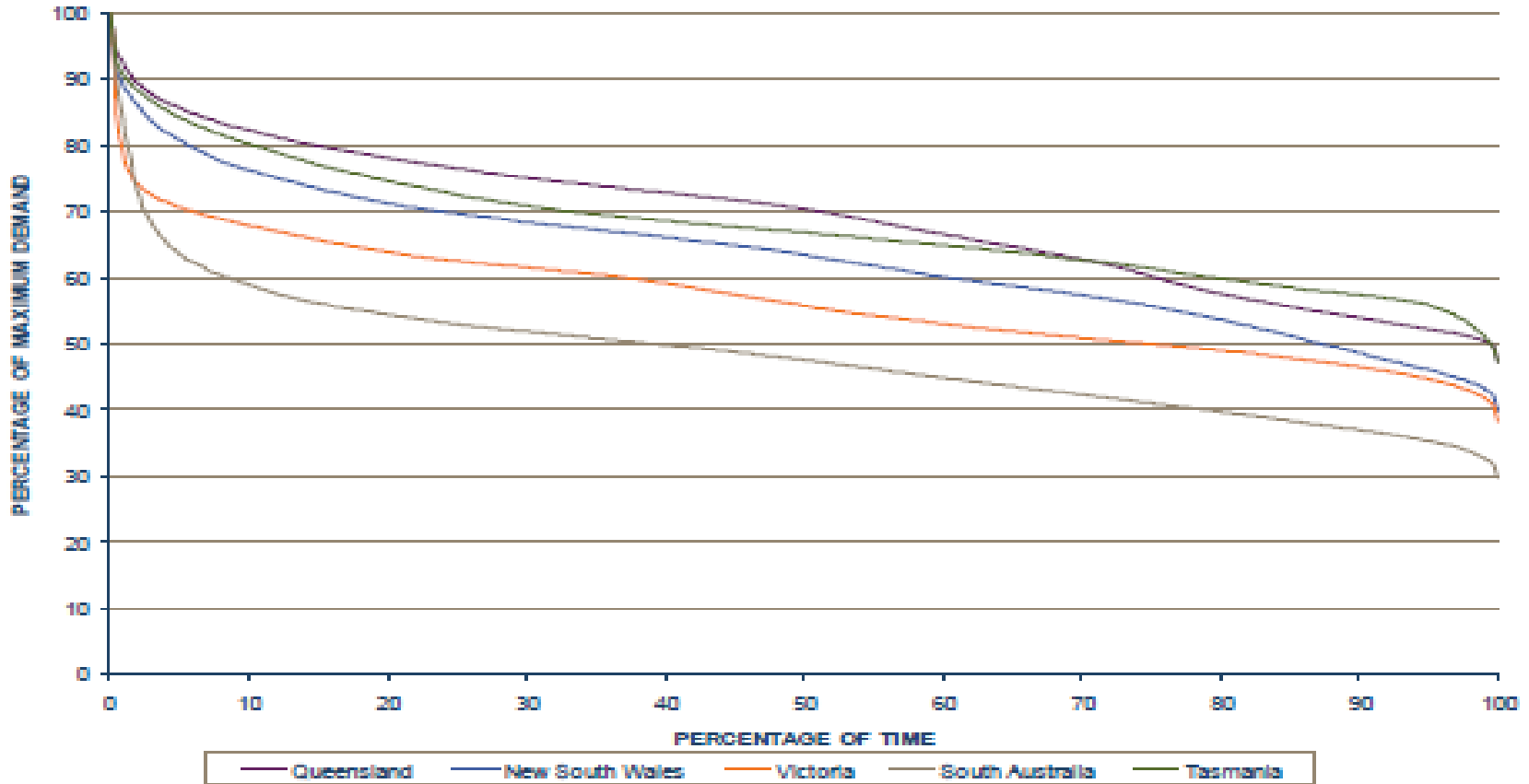
By:

- Stimulating the development of low-emission energy – suited to Victoria's energy resources
- Creating incentives for energy saving
- Influencing national energy and carbon policy
- Leveraging Commonwealth and private investments
- balancing technical constraints, community expectations and cost considerations

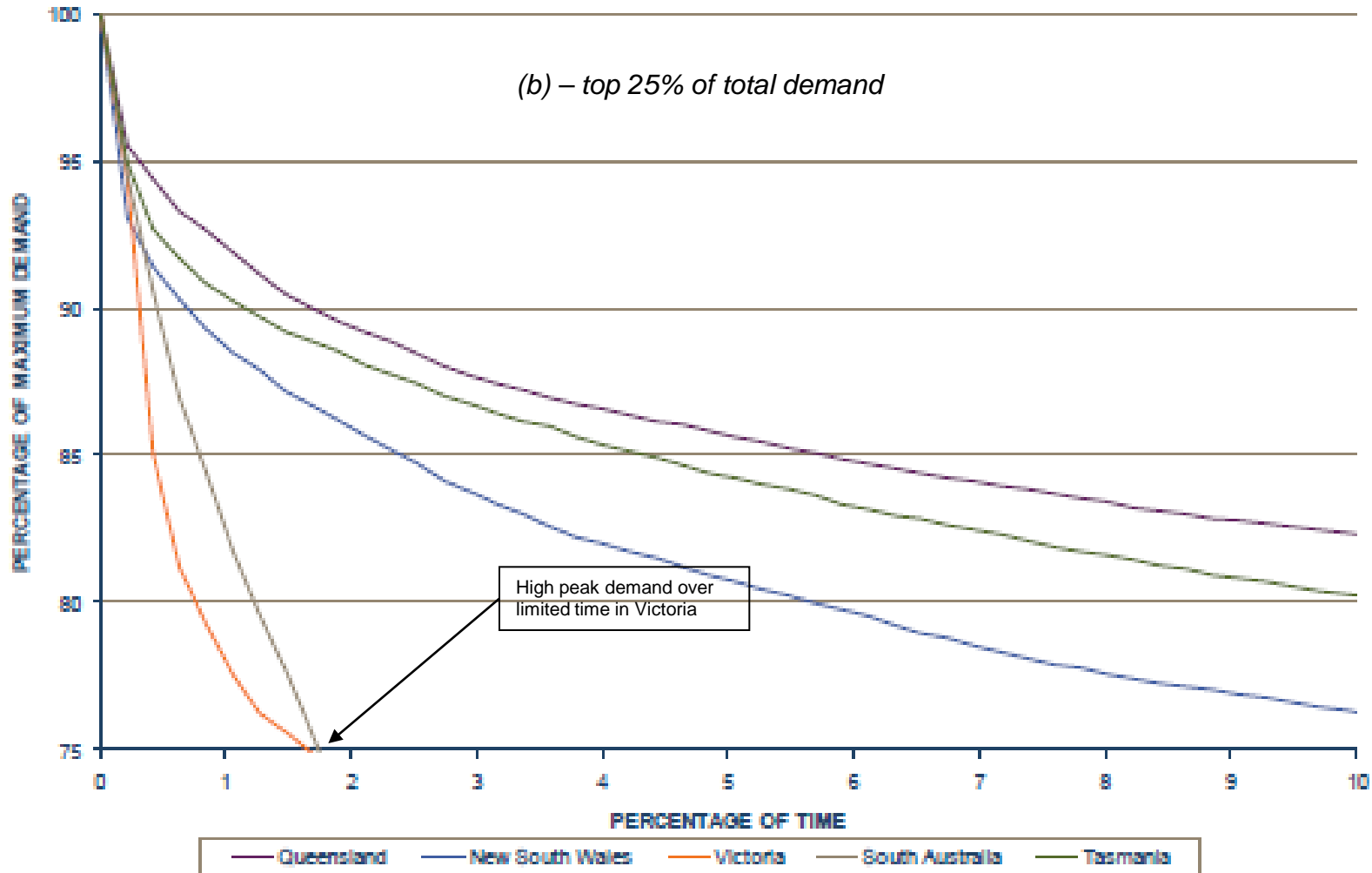
Victoria's high peaking electricity demand

Load duration curves eastern Australia:

(a) – total annual demand



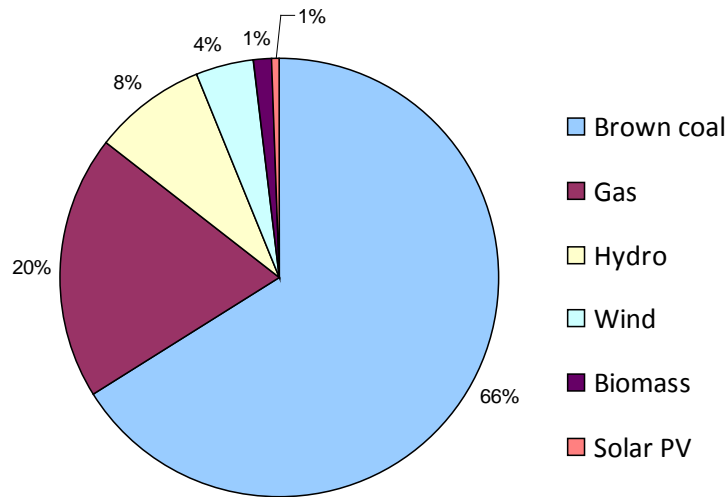
Victoria's high peaking electricity demand



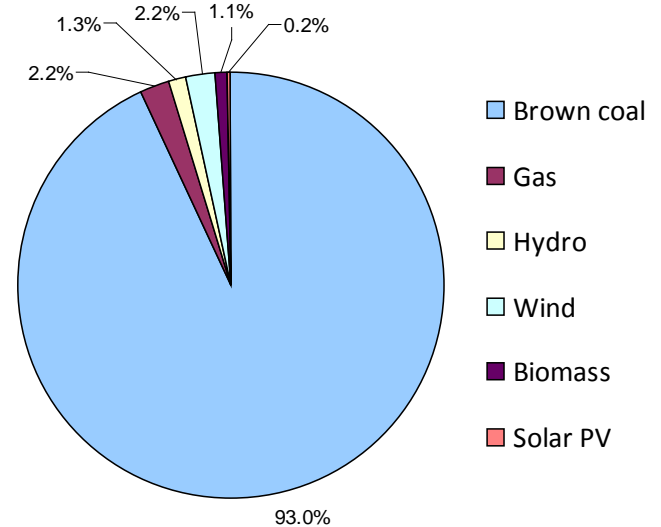
Electricity generation in Victoria

Brown coal makes up 66% of installed capacity in Victoria, but contributes 93% of total generation.

Installed capacity by fuel type - MW - Victoria



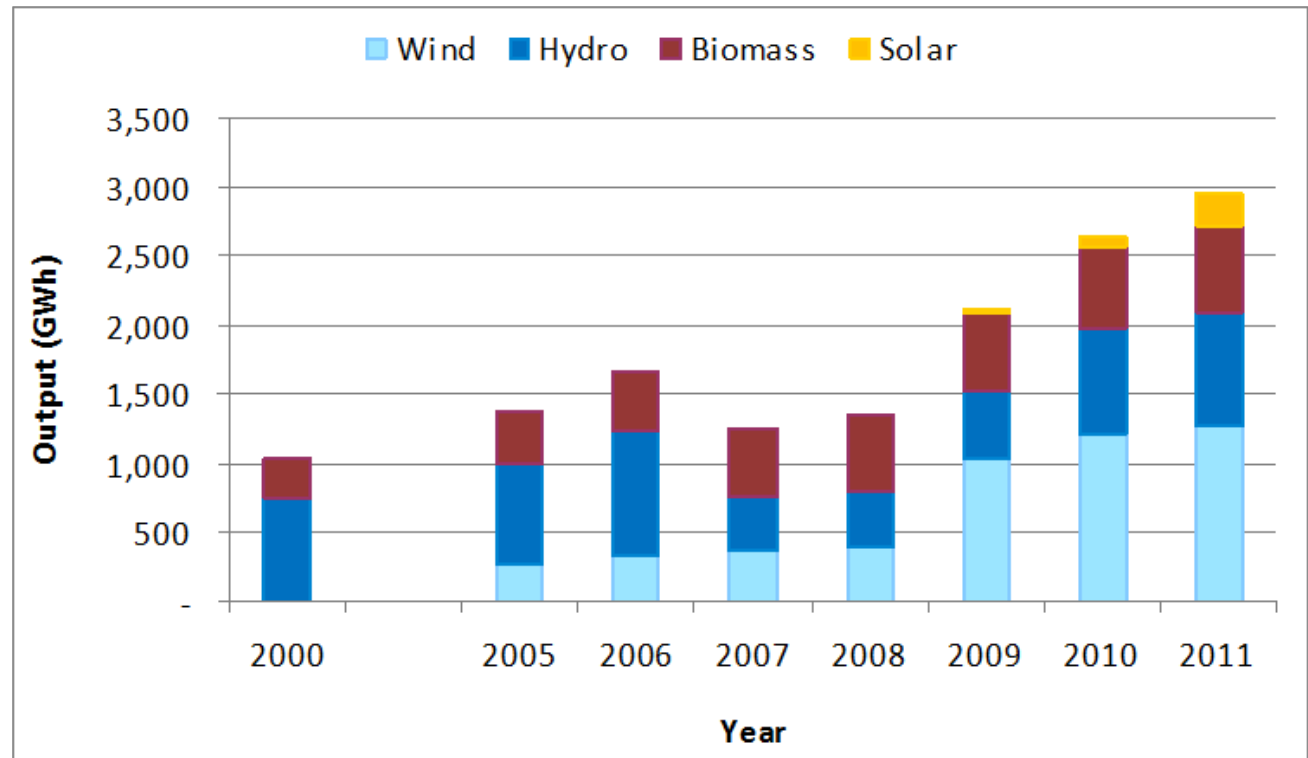
Generation by fuel type - GWh - Victoria



Sources: AEMO 2010 (coal and gas) and Sustainability Victoria (renewables). Does not include hydro generators in VIC NEM region situated in NSW

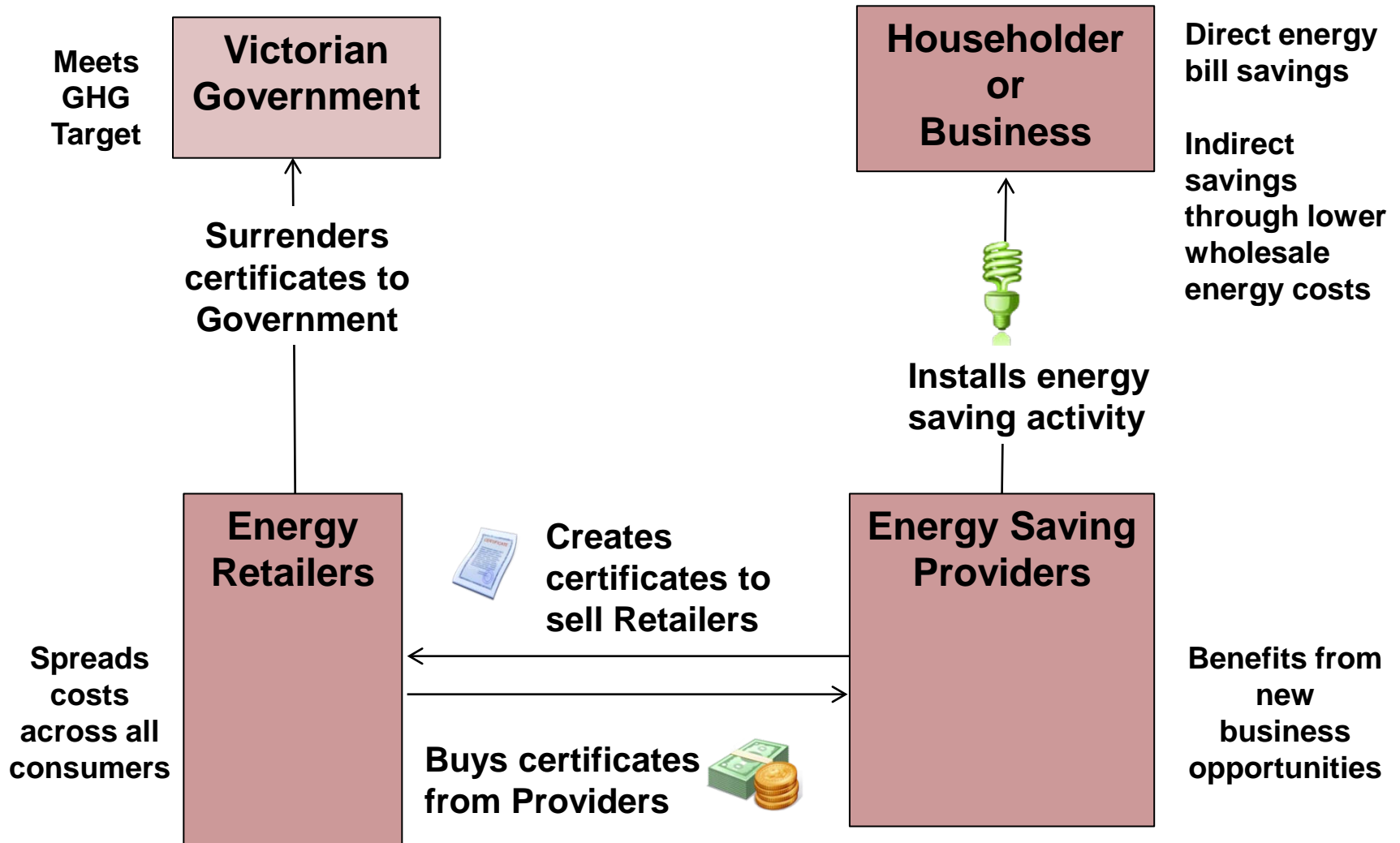
Renewable Energy in Victoria

	Installed Capacity (MW)				
Fuel type	2000	2005	2009	2010	2011
Biomass	81	86	121	124	128
Hydro	587	655	802	802	802
Solar	0.40	2.2	20.1	75.1	270
Wind	0.09	104	428	428	432
Total	668	847	1,372	1,429	1,633



Energy Saver Incentive

- How it works



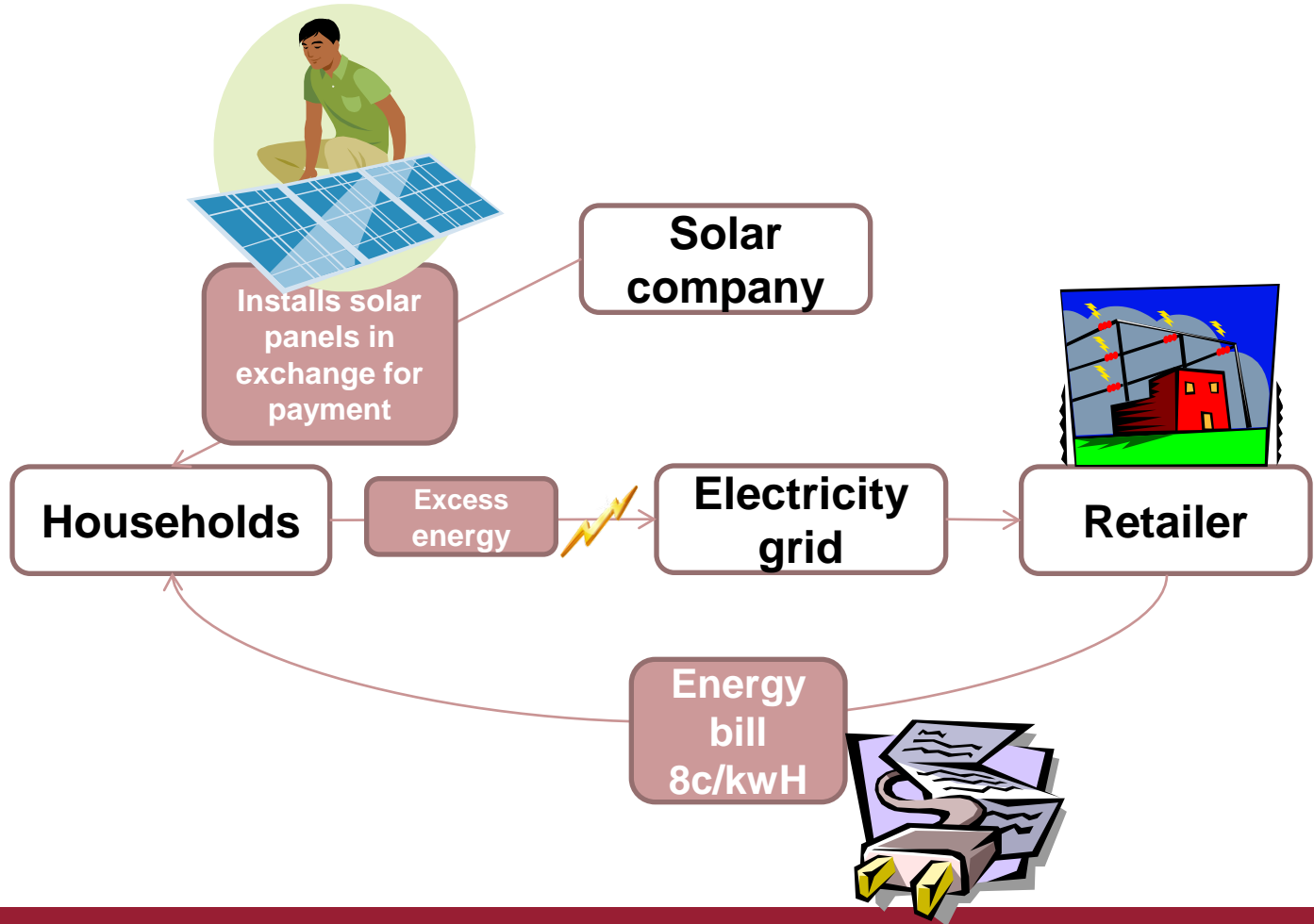
Victorian Government Programs

Focussed on practical action - tangible results and value for money

- Energy Saver Incentive (ESI) scheme
 - incentives on energy efficiency products, including lighting, heating, hot water systems and window glazing
 - The Government has doubled the ESI scheme this year
 - The first three year phase of the scheme has saved more than 8.1 million tonnes of greenhouse gas, the equivalent of making around 675,000 households carbon neutral for a year.

Solar Feed-in Tariffs

- Solar feed-in tariffs work by paying households for excess energy they provide to the grid.



Solar Feed-in Tariffs

- Concern nationally and internationally that generous feed-in tariffs are increasing costs to consumers – many jurisdictions have stopped or significantly reduced incentives

<p>Premium Feed in Tariff 60 cents/kWh</p>	<p>Solar to 5kW Net tariff 2009 – 2024 closed to new customers December 2011 175MW total</p>
<p>Transitional Feed-in Tariff 25 cents/kWh</p>	<p>Solar to 5kW Net tariff 2011 – 2016 Closing to new customers December 2012 Scheme intent 75MW</p>
<p>Standard Feed-in Tariff – 1:1</p>	<p>Renewables to 100kW Net tariff Based on retail rate of electricity Closing to new customers December 2012</p>

Solar Feed-in Tariffs

- Since PFIT was introduced cost of solar systems has fallen by around 50%
- Reduced the need for high government incentives which are funded through electricity bills

New Feed in Tariff
8 cents/kWh

Renewables and some low emission technologies to 100kW
Net tariff
Opening January 2013
Based on wholesale electricity rate plus network costs