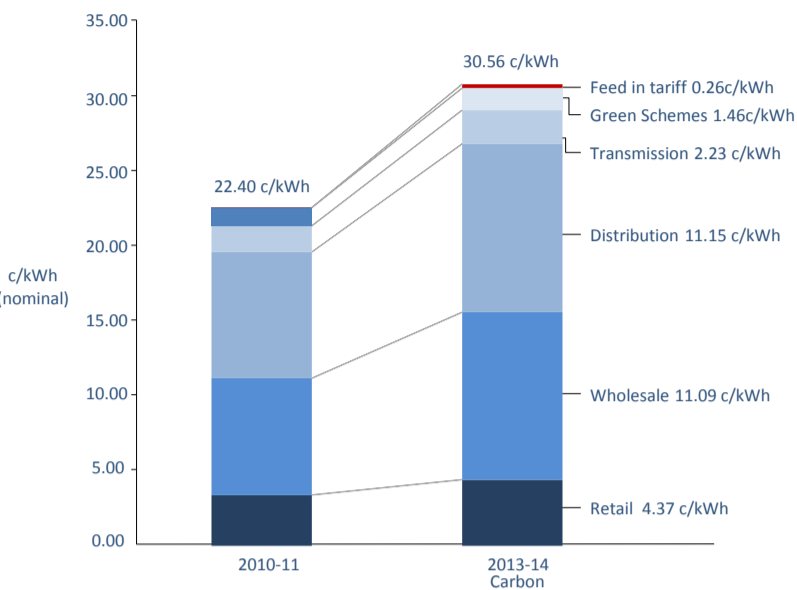


Solar Blues

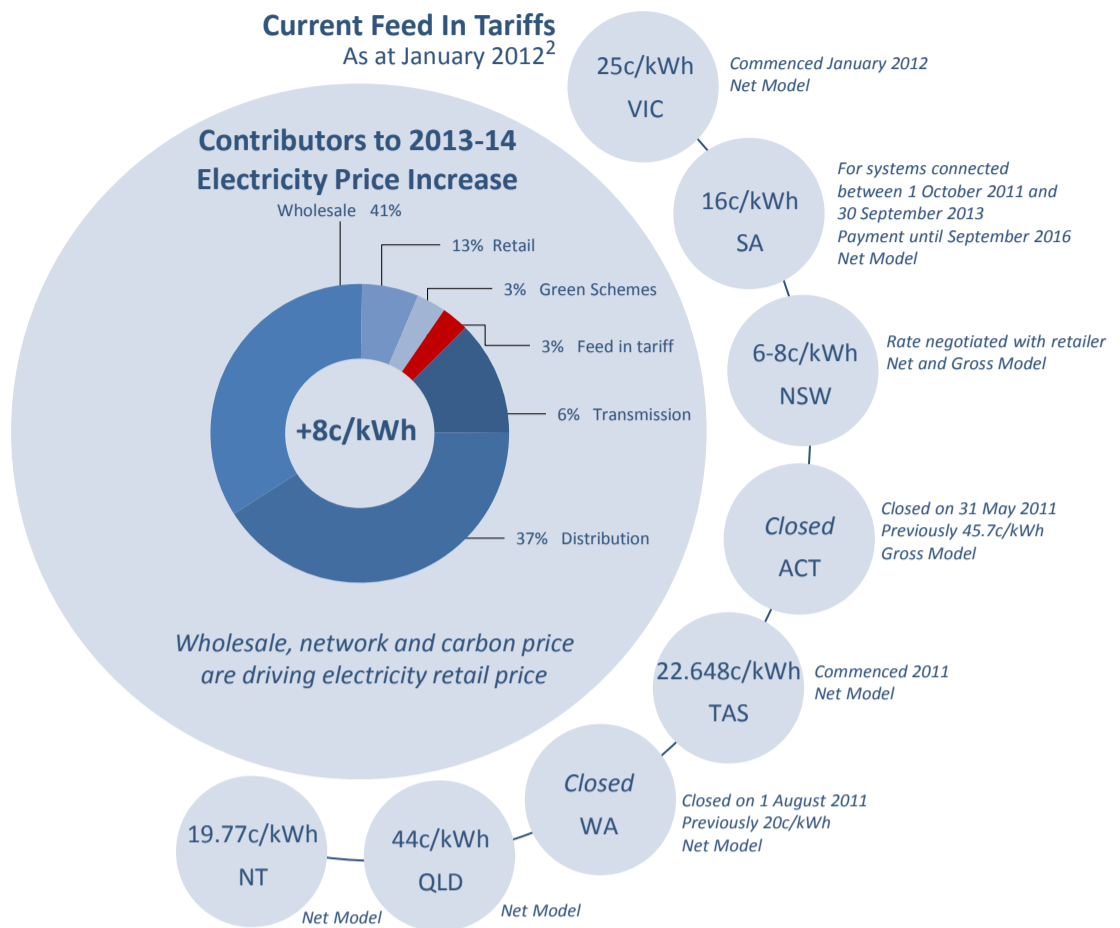
Household PV subsidies have had only a minor impact on household bills so why the political angst?

Feed In tariffs are expected to add 1% to average tariffs in 2013 ¹

Australian Residential Electricity Prices ¹



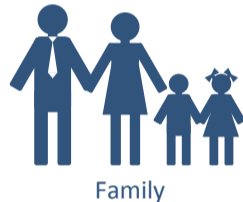
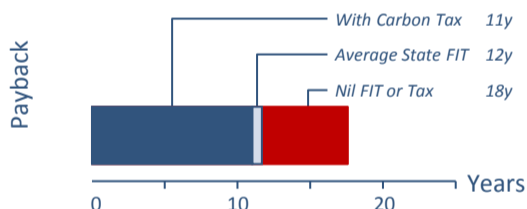
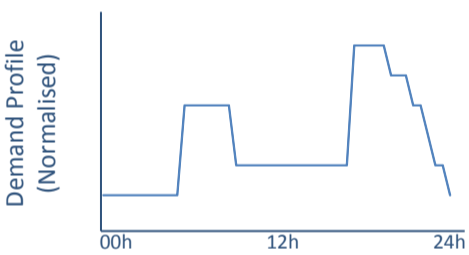
Current Feed In Tariffs
As at January 2012²



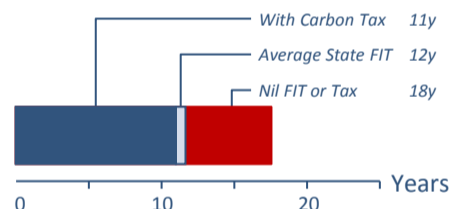
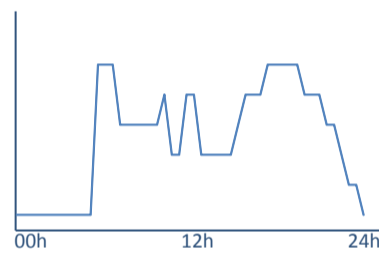
Solar economics still rely on subsidies ³



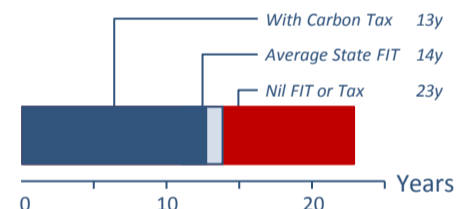
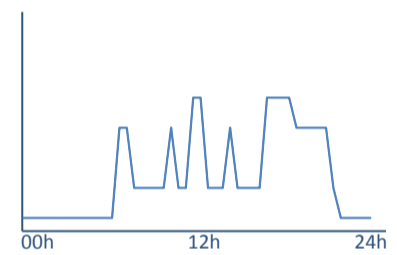
Annual Consumption = 6,500MWh



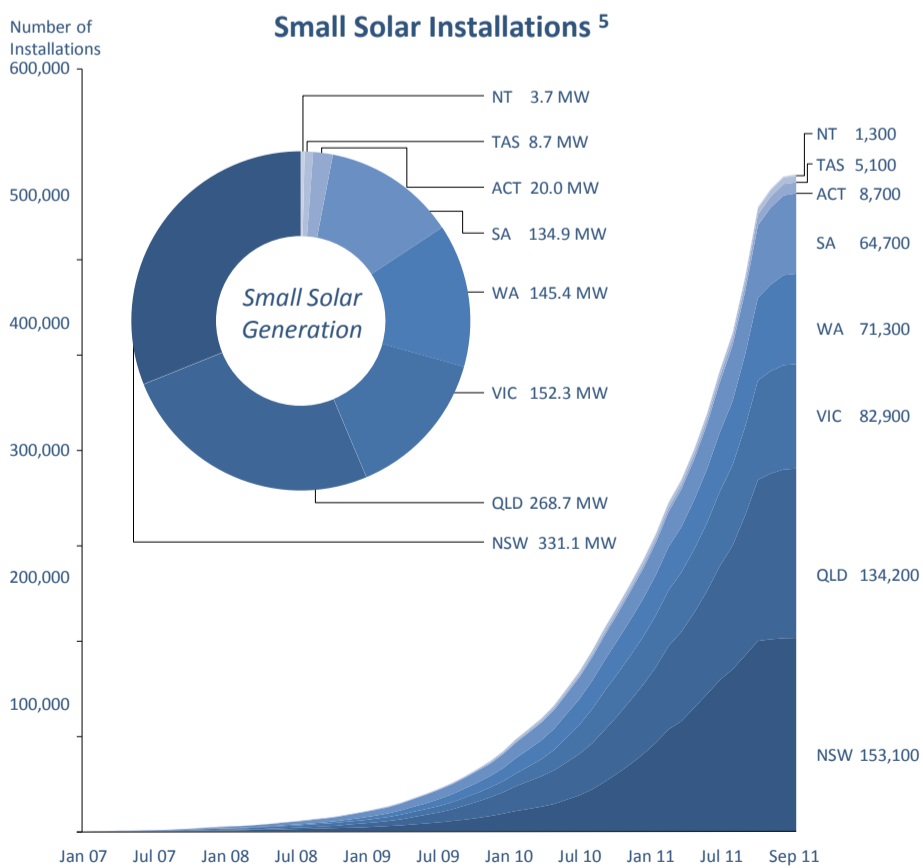
Annual Consumption = 8,500MWh



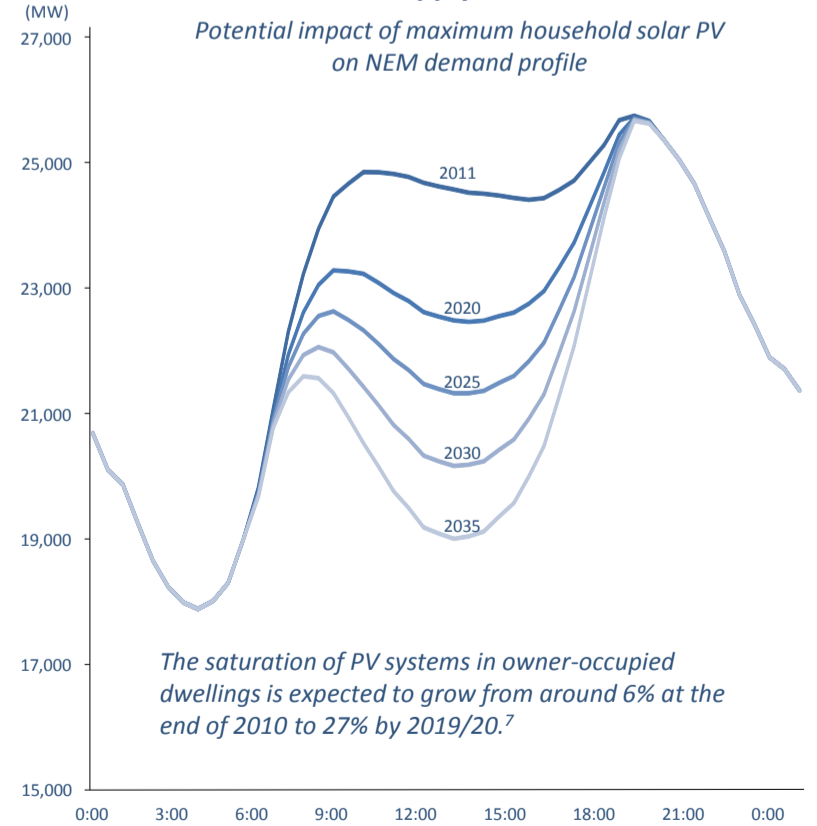
Annual Consumption = 4,500MWh



The FiT effect is to turbo charge installations providing supply when demand is highest



ECON101: Solar Supply and Grid Demand ⁶



Sources:
 1. Carbon Scenario Prices, AEMC Future Retail Electricity Price Movements, Nov 2011
 2. Feed-in tariffs, Parliamentary Library, Parliament of Australia Web Site
 3. Exigency estimates of household demand and profiles. Payback periods were estimated based on solar production, standing tariffs and FIT by state
 4. CEC Consumer Guide to Buying Household Solar Panels, August 2011
 5. ORER Data to September 2011
 6. Exigency analysis based on annualised installation rate of 200,000 1.5kW solar PV, future profiles normalised to 2011 NEM average demand profile, NEM growth rate assumed of 2% based on ABARE forecasts
 7. AEMC, Interim Report, Impact of the enhanced Renewable Energy Target on energy markets, 25 November 2011. Note ABS reports that in 2006, there were a total of 7.8 million households in Australia. By 2031, the number of households is projected to grow to between 11.4 and 11.8 million