



## MEDIA RELEASE

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### CLEAN ENERGY TARGET THREATENED IF RECS KEEP FALLING

The Federal Government must maintain the value of renewable energy certificates (RECs) if it is to meet its clean targets, Modern Solar CEO Laurie Mallia said today.

The value of RECs – a tradable green energy currency created and issued to buyers of renewable energy systems – has slumped from \$50 to as low as \$23 due to rising sales of household solar energy units last financial year.

“The \$1600 solar hot water grant, wind farms, geothermal and other renewables are having a massive affect on this market. It’s obvious to most that if you issue more RECs, their value will fall and their attractiveness as an incentive is eroded,” Mr Mallia said.

“Our industry and our customers need certainty; as more renewable energy systems are installed in Aussie homes and businesses, the value of RECs cannot fall to a level where they become worthless and therefore no real consumer incentive exists to take up Solar PV systems.

“At least there was certainty under the previous scheme (which provided a grant of up to \$8,000). The new scheme implied RECs would remain at the \$50 mark used for the original Solar Credits incentive model and would not fall -- but we see this happening.”

Modern Solar supported Clean Energy Council CEO Matthew Warren, in comments reported today, for the Federal Government to sustain the RECs price by intervening to create demand, as the Reserve Bank does when it props up the Australian dollar.

“Government intervention is justified when an important national interest is at stake, such as the achievement of 20% renewable energy in a little over a decade,” Mr Mallia said.

**“Modern Group is also a keen advocate of introducing a national gross feed-in tariff (or GFIT, as seen in the ACT).** This would pay electricity customers for every kilowatt of renewable energy produced by their systems.

“Most Australian states have introduced a *net* feed-in tariff, which only pays consumers for the excess solar electricity that’s fed back into the main grid – a much less attractive incentive than is available in Europe, the US and Asia. The end user simply cannot accurately monitor this method of credit against their monthly bills.

“Australia needs RECS price certainty and a national gross feed-in tariff scheme if we are to boost the take-up of solar energy in this country and develop thousands of clean, green jobs and expertise.”

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*Modern Solar is part of The Modern Group - an Australian company employing around 1000 people nationally. Its solar power photovoltaic (PV) systems convert sunlight directly to electricity using solar panels or solar cells mounted on rooftops.*