



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Federation Chamber

STATEMENTS BY MEMBERS

Grey Electorate: Solar Reserve

SPEECH

Monday, 12 October 2015

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Ramsey, Rowan, MP

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Mr RAMSEY (Grey) (16:20): During September I had the privilege of leading a delegation to the US, taking the opportunity visit Solar Reserve's Crescent Dunes facility in Nevada. Undergoing final testing and due to come on line in October, the 110 megawatt concentrated solar and storage facility will provide electricity around the clock by utilising 10,347 heliostats storing heat in a molten mixture of sodium and potassium nitrates and producing 500,000 megawatt hours per annum.

Solar Reserve has purchased a site at Port Augusta, a town facing the closure of its coal-fired power plant in March next year, and I was particularly keen to see their technology firsthand. There is no doubt that it works, and the 600 hectare site is certainly impressive to look at. Of particular interest was the level of government/consumer subsidies needed to deliver the project. Fully understanding US Federal and state subsidies is not easy, and the Solar Reserve deal has its own idiosyncrasies; however, the primary government support for these types of projects comes in the form of a federal production tax credit of 30 per cent. This in turn converts to a subsidy of about 2.3c US per kilowatt hour, which is 3.2c Australian.

By comparison, the Australian system is more generous, providing support through the renewable energy target, which is likely to be between 5c and 8c per kilowatt hour through to 2030. The Solar Reserve project is also supported by a purchase agreement with the state of Nevada. I look forward to working with the government, the new minister and ARENA in trying to get this project up in Port Augusta.