

Submission

I (Andrew Smethurst) would like to provide a submission to the Renewable Energy Target Review Issues Paper dated August 2012. It is in my understanding that the renewable energy target ensures that 20% of Australia's electricity supply comes from renewable sources by 2020. I would like to see that this target does not decrease and the date by which the target should be reached should not change. In fact, I would like to see the renewable energy target increased to 50% of Australia's electricity supply from renewable energy sources. I understand that there has been some pressure from Origin Energy and TruEnergy however as a representative of the public, I would like to see the target is not decreased by influences from energy companies. I do not wish to see the target reduced in any case. From reading the news, yesterday the CEO of Origin is promoting decrease to the Renewable Energy Target. Grant King, CEO of Origin Energy, called for the level of the Renewable Energy Target to be reduced from 45,000 gigawatt-hours (GWh) to 35,000, which I believe would be devastating for the renewables sector and the Australian economy. In December 2008, when the Australian government was trying to decide how it should alter the legislation to increase the RET, it issued a consultation paper. This paper specifically stated: "Stakeholders' views are sought on possible approaches to setting annual targets and their implications for investment mix, generation profile and cost of the measure." Origin in its submission to this consultation paper did say, "Origin strongly supports the Australian Government's key election commitments on climate change, including increasing MRET to 45,000 GWh or 20 per cent by 2020." The reason for which I would like to see the target not reduced and the target date remained unchanged is due to the huge economic and environmental benefits arising from 20% of Australia's electricity supply coming from renewable energy sources. By requiring electricity retailers to purchase renewable energy certificates (RECs), the large-scale renewable energy target (LRET) creates an incentive for additional electricity generation from wind and solar farms and also a small-scale renewable energy target (SRET) encouraging roof top renewable energy. I would like the Climate Change Authority to further address the investment into renewable energy and the incentives in the current market. I am concerned though that carbon price is not enough to incentivise renewable energy farms. While the carbon pricing scheme also creates an incentive for renewable energy, I believe it is not enough to meet a target of 20% by 2020. It is in my belief that the carbon price only causes switching between coal-fired and gas-fired electricity generation. Whilst it is great to see the switch between coal-fired and gas-fired electricity generation this will not contribute to an increase in renewable energy investment and thus will not lead to Australia reaching its Renewable Energy Target. Through my research I have found that according to the Garnaut Review, a carbon price of around \$40 would be required to create enough incentive for renewable generators to enter the market. However a carbon price at this level is unlikely in the foreseeable future. The Australian carbon price will revert to the international price in 2015 (currently around \$AU8 and subject to significant price collapses) as domestic producers offset a significant amount of their emissions by purchasing international carbon credits. The promised three-year floor price at \$15 would help but this is currently under threat from industry and the sudden need to pass additional legislation. An ambitious and steady set of renewable energy policies is required and can have a massive positive impact on the economy and environment. As an Australian, I would like to see the Climate Change Authority and the Australian Government, develop policies and a clear direction to support investment into renewable energy and look into the incentives for renewable energy investment. In addition I would like to see the Australian Government improve network connections, streamline planning processes, establish a fair price for solar, promote community owned energy projects and develop more renewable energy hubs and precincts.