

A meaningful review of the RET must consider the full cost of renewable energy including the cost of 'back-up' power from gas or coal-fired electricity generation and any extra cost associated with upgrading of the grid and interconnectors to handle intermittency. Full transparency of those costs is essential if the 'best' decisions are to be taken by governments and regulators.

Whilst the experience in South Australia for example suggests that wind does not need back up, the reality is that on occasions SA does generate all the electricity it needs and on those occasions does not need to use the interconnector (providing access to Victoria's fossil fuel based electricity generators), but no large scale energy system is currently willing or able to take that chance. Therefore for the foreseeable future back up from fossil fuel based electricity. The conventional view is that gas is the natural back-up for wind in particular, but this view is now challenged by the imminent and steep cost increase of natural gas. This may well mean that coal becomes the preferred "back-up", which in turn has implications for greenhouse gas emissions. The Review should take this into account.