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Climate Change Authority  
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Melbourne VIC 3001  
Lodged by email: [submissions@climatechangeauthority.gov.au](mailto:submissions@climatechangeauthority.gov.au)

## **ENA Response to the Climate Change Authority Review of the Renewable Energy Target**

The Energy Networks Association (ENA) welcomes the opportunity to make a submission to the Climate Change Authority on the Review of the Renewable Energy Target (RET).

The Energy Networks Association (ENA) is the national industry association representing the businesses operating Australia's electricity transmission and distribution and gas distribution networks. Member businesses provide energy to virtually every household and business in Australia. ENA members own assets valued at over \$100 billion in energy network infrastructure.

Photovoltaic systems, solar water heaters and heat pump water heaters covered under the Small-scale Renewable Energy Scheme (SRES) produced or displaced 6,400 GWh in 2013. This is well beyond the original target for 2020 of 4,000 GWh and, with over 2 million installations of these technologies in Australia, it is clear that the Australian solar industry is no longer at a stage where it requires government mandated subsidies in a manner which distorts other competitive markets. There is no economic argument that solar hot water heaters, photovoltaic systems and heat pump technologies should continue to receive further incentives at the expense of other electricity consumers who subsidise the users of these technologies.

SRES does not offer a technologically neutral solution to reducing household emissions. In 2012 the CCA considered the removal of displacement technologies such as solar water heaters in the RET. The ENA believes the CCA should reconsider its 2012 recommendation to retain coverage of displacement systems under the SRES. Removing displacement technologies covered under SRES would remove unnecessary and unfair incentives to specific technologies and ensure a level playing field for all low emissions technologies.

The ENA believes that the review of the RET by the CCA should consider that:

- The SRES represents a high cost form of abatement which is not technology neutral.
- If SRES has been justified as a market development scheme in the past, then this is clearly no longer relevant given the scale and penetration of small-scale renewables in Australia.
- SRES increases gas prices to gas customers and distorts downstream markets for hot water systems.
- SRES subsidises some forms of abatement, such as heat pumps, which result in more emissions than the unsubsidised gas hot water systems.

The ENA has documented these issues and concerns in the attached submission.

**The ENA supports:**

- The immediate cessation of the SRES;

If the SRES is not immediately ceased, then displacement technologies should be immediately removed from the SRES.

**The ENA does not support:**

- The continued inclusion of SRES under the RET;
- The continued inclusion of all displacement technologies in the SRES; or
- The continued inclusion of heat pumps under SRES.

Any questions about our submission should be addressed to ENA's Senior Program Manager, Gas, Dougal Torrance, by email to [dtorrance@ena.asn.au](mailto:dtorrance@ena.asn.au) or by telephone on (02) 6272 1511.

Yours sincerely



John Bradley  
**Chief Executive Officer**