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CLEAN ENERGY COUNCIL

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Climate Change Authority
GPO Box 1944
Melbourne
VIC 3001

Clean Energy Council submission to Reducing Australia's Greenhouse Gas Emissions: Targets and Progress Review Draft Report

The Clean Energy Council (CEC) works with more than 550 solar, wind, energy efficiency, energy storage, bioenergy, hydro, cogeneration, geothermal and marine energy businesses to accelerate the transformation of Australia's energy system into one that is smarter, cleaner and more consumer-focused.

The CEC welcomes the opportunity to respond to the Climate Change Authority's (CCA) draft report '**Reducing Australia's Greenhouse Gas Emissions: Targets and Progress Review'** Our comments focus exclusively on the role of the Renewable Energy Target in helping meet Australia's greenhouse gas reduction goals.

Analysis for the CEC[1] has shown that between 2001 and 2012 the RET was responsible for 22.5 Mt CO2e emissions reduction, and that without the RET Australia would not have met its reduction target under Kyoto. The analysis shows that alongside the emissions reductions the RET also delivered a number of other benefits including:

- $18.5 billion of investment in renewable energy infrastructure
- Wholesale energy prices are as much as $10/MWh lower as a result of the RET being in place

Looking forward the analysis concluded that between 2012 and 2030:

- The RET is expected to deliver an additional $18.7 billion of investment in renewable energy infrastructure.
- Wholesale energy prices are expected to be up to $9/MWh lower with the RET in place.
- 1000 MW less gas fired generation capacity is expected to be required with the RET in place
- Generation from gas-fired power stations is expected to be 13% less with the RET in place
- Generation from coal-fired power stations is expected to be 12% less with the RET in place
- The RET will have been responsible for up to 380 Mt CO_2e of carbon abatement

These ongoing benefits are contingent on the RET being retained in its current form, and in particular that the 41,000 GWh LRET target remains. As well as the target remaining intact it is also important that there is an end to the constant reviews of the RET. The RET has undergone

[1] SKM 2012, Benefit of the Renewable Energy Target to Australia's Energy Markets and Economy Available at: http://www.cleanenergycouncil.org.au/dam/cec/policy-and-advocacy/reports/2012/Benefit-of-the-Renewable-Energy-Target-to-Australias-Energy-Markets-and-Economy/Benefit%20of%20the%20Renewable%20Energy%20Target%20to%20Australia_s%20Energy%20Markets%20and%20Economy-1.pdf

regular and substantial reviews since it was first designed in the late 1990s. The 20 per cent target was legislated in 2009 and enhanced in 2010. This was followed by a legislated review of the scheme in 2012, and an expected review of the scheme in early 2014. Each review creates uncertainty and results in a slowing or deferment of investment in renewable energy.

To provide a stable investment climate for renewable energy the CEC believes that the upcoming review should be the last review of the scheme until 2020. This will enable the industry to get on with the job of deploying the renewable energy necessary to meet the 20 per cent by 2020 target.

To discuss any of the details in this submission further please contact me at
[redacted]

Yours sincerely

Russell Marsh
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