To the Climate Change Authority

Re: Renewable Energy Target (RET) Review – Issues Paper

Firstly, I'd like to acknowledge and thank the authority for the opportunity to comment on the RET Issues Paper.

Below are some key points for consideration:

- The 20% target should, at a minimum, remain. However the authority should look at the possibility of an increase to the target, closer to 2020. Australia has great potential to expand its renewable energy infrastructure, acknowledging that costs will continue to fall over the coming years.
- Keep the target based on a fixed GWh figure as opposed to a floating annual target based on consumption. Although a floating figure sounds logical, maintaining a fixed target will maintain solid investor confidence of longer term renewable energy project delivery.
- A two year review of the RET by the authority is sensible; however the focus of such reviews should be minor in nature and not compromise the intended targets and outcomes of the scheme.
- Projects financed by the Clean Energy Finance Corporation (CEFC) through the Carbon Pricing Mechanism (CPM) and any Large Scale Generation Certificates (LGC) generated, should be considered separate or in addition to the RET. This is to prevent overlap of the two and not compromise the effectiveness of the original intended scheme. It also acknowledges the intention of the RET and CPM, with the two schemes working together to reduce Australia's emissions in the long term.
- The list of eligible renewable energy sources to generate LGC's appear appropriate. Incorporating wider sources of generation may be reasonable, on a case by case basis, to provide further incentive for industry and business to mitigate emissions. However, general exclusion of fossil fuels and their waste products as eligible renewable energy sources is appropriate.
- Continue the separation of the Small Scale Renewable Energy Scheme (SRES) from the Large Renewable Energy Target (LRET), as they are fundamentally different. It is sensible to retain an open target for the SRES, to ensure the community is not hindered from investing in their own renewable devices such as solar, in a voluntary capacity.
- Displacement technologies should not be eligible under the RET, it should specifically focus on electricity generated. Such technologies should be considered as energy efficiency.

South Australia is a prime example of how effective renewable energy technology investment is transforming our electricity generation. For the first time, dependency on coal based generation has reduced as a 'back up' supply and demonstrates the effectiveness of such investment with the transition to clean reliable energy supplies.

The cost of renewable energy technologies continues to reduce annually, and to date, installed large scale capacity has only seen a modest increase to electricity prices. It is well known that electricity network investments and retail arrangements are a significant factor in electricity price rises. A progressive transition to clean generation technologies is appropriate, whilst also achieving reduction of greenhouse gas emissions. The RET is certainly important until broader renewable technologies, other than wind, fall to a cost level that are on parity or less than fossil fuels. This is expected in the next decade or so.

Lastly, I caution the authority from vested business interest requesting to reduce the effectiveness of the RET, mainly for financial reasons. I absolutely agree a progressive yet balanced approach is needed, that is economically efficient and environmentally effective. However I believe the current RET reflects this and is a very important policy to compliment the CPM and ensure Australia appropriately and effectively reduces its share of greenhouse gas emissions. This is particularly relevant to not only meet the current 2020 target, but also with the anticipated international climate change commitments to be made in the future.

Yours Sincerely

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