

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

17 October – 18 October 2012

Question: SBT 96-97

Topic: Renewable Energy Target

Written: Received from Committee – 26 October 2012

Senator JOYCE asked:

From the viewpoint of the Productivity Commission regarding the Renewable Energy Target (RET):

96. Prior to 2012, what were the PC's views on the RET in terms of its impact on electricity prices and reliability?
97. Since undertaking the "Electricity Network Regulation" inquiry, has the PC's views or attitudes on the RET been altered or enlightened much? If so, in what key ways?

Answer:

96. The costs of the subsidy equivalent provided by the RET are passed on to electricity consumers (PC 2011, *Carbon Emission Policies in Key Economies*, pp. 98–102). The Commission has not undertaken work on the effect of the RET on electricity reliability.
97. The reduction in the Small-scale Technology Certificates solar multiplier offered under the RET will reduce the subsidy to small scale solar (PC 2012, *Electricity Network Regulatory Frameworks*, draft report, p. 455).