

Senator Jonathon Duniam  
Chair  
Senate Environment and Communications Legislation Committee  
Parliament House  
CANBERRA ACT 2600

Dear Senator Duniam

On 21 May 2018 I appeared as a witness before the Senate Environment and Communications Legislation Committee Estimates Hearing.

During the hearing Senator Urquhart said in relation to the seventh auction under the Emissions Reduction Fund:

“How many more auctions does the CER expect this (ERF Moneys) funding to run for?” ...

“How often (are you approaching the market)—once or twice?”

In response I said

“... We're currently approaching it twice a year, with relatively small auctions compared with the early stages. That's to keep the portfolio refreshed and so forth. We've said publicly that at the next auction we expect to spend somewhere between \$50 million and \$100 million. At the last auction we went for, we purchased just a little under eight million tonnes. If we purchased 50 million tonnes worth of abatement contracts then that would be less than eight million, but it would nevertheless refresh the portfolio.”

I wish to correct this answer. If we purchased 50 million dollars, not tonnes, worth of carbon abatement contracts then that would be less than eight million tonnes, but it would nevertheless refresh the portfolio. The remainder of my answer to the question, given at the Hearing, is correct.

I apologise for the error in my answer and trust this further information will be of assistance to the Committee.

Yours sincerely

David Parker  
Chair  
Clean Energy Regulator  
19 June 2018