

Invest in Our Future

Submission by the Australian Youth Climate Coalition

As young Australians, we want to grow up in a country where we are afforded the opportunity to participate in the competitive global economy. We know the world is turning away from fossil fuels and towards renewable energy. In 2011, clean energy investment outstripped fossil fuel investment.

However, in Australia we are lagging behind. Only 9% of our energy comes from renewable sources and some of our best and brightest young minds are forced to move to China, Korea or the USA to commercialise their renewable technology.

As one of the sunniest and windiest countries on earth, with a willing and skilled workforce, we have everything we need to be a leader in the clean energy race. We just need the policy to get us there.

In order to lead the clean energy race we need to ensure the CEFC is additional to the RET – so that it builds additional renewable energy capacity. We support the statements by the Australian Conservation Foundation that there are two ways to make this happen:

1: Replace RECs for CEFC projects

The RET already includes a mechanism for projects which are eligible to create and sell RECs that are additional to the 20% target. This rule currently only applies to waste coal mine gas projects, which were made eligible to create RECs to provide additional support to these projects in 2010. For every REC a waste coal mine gas project produces, the government replaces a REC back into the market. In this way the government supports waste coal mine gas projects without impacting on the 20% target for renewable energy projects. The same approach could be taken for CEFC projects. Projects receiving support from the CEFC would be eligible to create RECs, which must be bought by energy retailers. These RECs would be replaced in the market to ensure they did not detract from the existing 20% target. This option would not be administratively difficult as the mechanism already exists.

2: Increase the RET

An alternate strategy would be to allow CEFC projects to create RECs without a replacement mechanism. In this instance, to ensure CEFC projects are additional to the 20%, the overall target would need to be expanded through the 2012 RET Review.

Modeling from the University of Melbourne (and soon to be also completed by the University of New South Wales) shows that it is possible for Australia to be powered 100% by renewable energy within the next few decades. It is affordable, and we have the resources and workforce to make it happen. Let's ensure we implement the right policies to get us there.