

Aluminium Metal
Primary Production Kurri Kurri
PO Box 1,
Kurri Kurri NSW 2327
Australia



The Secretary
Senate Standing Committee on Environment, Communications and the Arts
GPO Box 854
Canberra ACT 2601
Email: eca.sen@aph.gov.au

20 May 2010

Harald Bentzen - Managing Director
Ph: (02) 4937 0480, Fax : (02) 49 37 0616
Email : harald.bentzen@hydro.com

Hydro Aluminium Kurri Kurri Pty Limited submission to the Senate Standing Committee on Environment, Communication and the Arts' Inquiry into the Renewable Energy (Electricity) Amendment Bill 2010 [Provisions] and related Bills

Hydro Aluminium Kurri Kurri Pty Limited welcomes the opportunity to make a submission to the Senate Standing Committee on Environment, Communication and the Arts' *Inquiry into the Renewable Energy (Electricity) Amendment Bill 2010 (Provisions) and related Bills*.

Hydro Aluminium Kurri Kurri fully supports the submission made by the Australian Aluminium Council.

Key areas that need to be considered in order to ensure the viability of electricity-intense industries such as our aluminium smelter include:

- A true 90 per cent exemption from the Renewable Energy Target for industries that are both electricity- and emissions-intensive. The current proposal only results in a 55 per cent exemption from the overall scheme.
- Given that the CPRS legislation has been delayed until 2013, any link between EITE exemptions under RET being conditional on passage of the CPRS should be removed.
- A cap on the quantity of SRECs that can be generated or limit the SRES exposure of EITE industries – thus providing certainty to all investors (small-scale renewable, large-scale renewable and electricity users).

Hydro Aluminium Kurri Kurri would also like to take this opportunity register its concern regarding the process by which the latest amendments have been brought before the Senate – without any opportunity for public consultation or input from industry.



HYDRO

Given the magnitude of the proposed changes to the overall structure of the scheme it would have been prudent to provide industry experts with an opportunity to test legal and technical aspects of the proposed legislation for possible unforeseen consequences – before locking the Bill into the Senate process.

Hydro Aluminium Kurri Kurri stresses its support for simple, clear, market-based measures to efficiently address emissions reductions and the development of renewable energy. The current plethora of State and Commonwealth based schemes and even the inefficiencies that are created at a Commonwealth level through renewable energy policies, energy efficiency policies and likely emissions reductions policies do not create a simple, clear and efficient market signal.

Thank you for the opportunity to provide comments on the proposed legislation. Please contact Mr Trevor Coombe on 0419 445 965 if you have any questions.

Yours sincerely,

Harald Bentzen