



Energy Retailers Association
of Australia Limited

Committee Secretary
Senate Standing Committee on Environment, Communications and the Arts
PO Box 6100
Parliament House
Canberra ACT 2600

By email: eca.sen@aph.gov.au

Dear Sir/Madam

The Energy Retailers Association of Australia (ERAA) welcomes the opportunity to comment on the: Renewable Energy (Electricity) Amendment Bill 2010 [Provisions]; Renewable Energy (Electricity) (Charge) Amendment Bill 2010 [Provisions]; Renewable Energy (Electricity) (Small-scale Technology Shortfall Charge) Bill 2010 [Provisions].

The ERAA is an independent organisation representing energy retail companies that provide electricity and gas to households and businesses throughout Australia. The members of ERAA collectively provide electricity to over 98% of customers within the National Electricity Market (NEM) and are the first point of contact for end-use energy users.

The ERAA would like to thank the Federal Government for paying attention to the concerns of retailers and endeavouring to implement the enhanced-RET in a manner that minimises the burden and uncertainty faced by retailers. In particular, the establishment of a voluntary clearing house mechanism and the projection of SRES Renewable Power Percentages (RPPs) will assist retailers and are therefore welcome.

In general, the legislation before parliament is supported by industry. It is therefore essential that it be passed as soon as possible before the 1 January 2011 start date in order to provide retailers, and the industry in general, with as much time and certainty as possible.

Further certainty could be given to retailers by placing a cap on the number of SRECs produced in any given period, for example the length of time the RPP is projected. This could be capped to the projected RPPs and then this would ensure that there will not be the need to reconcile unpurchased SRECs into future RPPs.

The ERAA encourages the Government to release the regulations as soon as possible and then to continue the ongoing consultation to ensure that all implementation issues associated with the enhanced-RET are suitably dealt with.

In every State and Territory except for Victoria there are still regulated retail tariffs. It is crucial therefore that any costs of purchasing SRECs and LRECs be necessarily passed through and



reflected in regulated tariffs, as was agreed by the Council of Australian Governments (COAG) in July 2009. The task of setting accurate cost-reflective prices by price setters in each State and Territory will become increasingly difficult following the implementation of the enhanced-RET. The introduction of the enhanced-RET therefore makes the case for deregulated electricity pricing even more apparent.

Should you wish to discuss the details of this submission further, please contact me on (02) 9241 6556.

Yours sincerely

Cameron O'Reilly
Executive Director
Energy Retailers Association of Australia