

Submission Template

Discussion Paper – Enhancing the Renewable Energy Target

Overview

This submission template should be used to provide comments on:

Australian Government Discussion Paper – Enhancing the Renewable Energy Target, March 2010

The purpose of the discussion paper is to outline the Government's policy on the new RET design and to seek stakeholder views on implementation aspects.

Contact Details

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Date:	15 April 2010

Confidentiality

All submissions will be treated as public documents, unless the author of the submission clearly indicates the contrary by marking all or part of the submission as 'confidential'. Public submissions may be published in full on the Department of Climate Change and Energy Efficiency website, including any personal information of authors and/or other third parties contained in the submission. If any part of the submission should be treated as confidential then please provide two versions of the submission, one with the confidential information removed for publication.

A request made under the *Freedom of Information Act 1982* for access to a submission marked confidential will be determined in accordance with that Act.

Do you want this submission to be treated as confidential? ☐ Yes ☒ No

Submission Instructions

Submissions should be made by **close of business 14 April 2010**. The Department reserves the right not to consider late submissions.

Where possible, submissions should be lodged electronically, preferably in Microsoft Word or other text based formats, via the email address - **RET@climatechange.gov.au**.

Submissions may alternatively be sent to the postal address below to arrive by the due date.

Renewable Energy Target section
Department of Climate Change and Energy Efficiency
GPO Box 854
CANBERRA ACT 2601

SRES Implementation Options

Establishing a clearing house mechanism

Would liable entities and SREC suppliers want the flexibility of trading outside the clearing house?

SRES Implementation Options

Providing certainty to liable entities – determining annual liability

The Government is seeking views on which of the options above or other options would provide adequate certainty for electricity retailers and other liable entities under the RET.

SRES Implementation Options

Ensuring the timely purchase of RECs – annual or periodic surrender of RECs

Would periodic surrender give SREC holders timely purchase of their SRECs?

Would quarterly surrender allow liable entities to align their SREC surrender processes with existing business requirements and pricing of electricity?

Other Issues

The treatment of existing forward contracts

Views are sought on the proposed approach for recognition of 'pre-existing contracts'.

Other Issues

Assistance for emissions-intensive, trade-exposed (EITE) entities

The Government is interested in stakeholder views on the implications of the LRET and SRES on the partial exemption regulations for EITEs and the proposed approach.

Meeting Australia's fair share of the mitigation objective in the Copenhagen Accord (avoiding a warming of more than 2°C above pre-industrial temperatures) will require Australia to reduce its energy and industrial sectors emissions to close-to-zero by 2050. In the early stages of this process some of Australia's emission reduction obligations can be met through emission reduction/avoidance credits generated overseas. However within a comparatively short period of time all of Australia's emission reductions will need to be achieved in-country. This will require an unprecedented transformation of the Australian energy and industrial sectors and renewable sources of energy will play a premier role in that process.

It is reasonable to suggest that Emissions Intensive Trade Exposed industries (EITEs) should receive some level of protection under an emission trading scheme (or a carbon tax) as doing so reduces the likelihood of carbon leakage. However that argument is not as valid in the case of schemes designed to deploy renewable sources of energy the purpose of which is push new technologies in the marketplace at a large-scale so as to drive them down the cost curve. This will have to be done in numerous markets around the world as in all cases - except possibly wind - a significant proportion of the learnings are in-country. EITE industries will ultimately benefit from that process as much as the wider Australian community. In such circumstances WWF believes that EITEs should not receive any exemption or partial exemption under the LRET and SRES.

Any additional comments

WWF supports the separation of the existing RET Scheme into the Small-scale Renewable Energy Scheme (SRES) and Large-scale Renewable Energy Target (LRET). To provide the clean energy sector with a much needed measure of confidence, WWF submits that the amendments to give effect to this should be made as soon as practicable and that the Government should make all endeavours to cause their passage in the current Parliamentary term.

However, WWF believes that:

1. The ability to use unlimited quantities of existing "banked" RECs in the Large-scale Renewable Energy Target; and/or
2. The decision to refrain from including provisions to foster the deployment of transformational zero emission electricity generation by 2020 such as a band or multiplier as proposed in *WWF's submission to the Senate Inquiry into the Renewable Energy (Electricity) Amendment Bill 2009* dated 19 July 2009 (a copy of which is attached); and/or
3. The existing exemptions provided to Emissions Intensive Trade Exposed industries under the RET Scheme,

May impede the early establishment of transformational clean energy industries and long-term sustainable jobs in Australia. WWF submits that the Act should be amended to require these three issues to be made the subject of particular investigation in the inquiry into the Scheme proposed to be held in 2012.