

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

Question No: 113
Hearing: Additional Estimates
Outcome: Agency
Programme: Clean Energy Regulator
Topic: Surplus certificates
Hansard Page: 92
Question Date: 23 February 2015
Question Type: Spoken

Ms Munro: There is still a surplus that accumulated during the period when the small-scale and large-scale schemes were combined. At the time the two schemes were split, those surplus units remained in the large-scale scheme. That is why the profile was set up in the way it was. It was designed to absorb some of that surplus. It has not absorbed all of it at this point.

Senator CANAVAN: How much surplus is left at the moment?

Mr Williamson: Our estimate, at the end of the acquittal period on 14 February, was that it should be around 25 million. I can take that on notice just to recheck that figure, but that was based on an estimate from a few months ago of what would be surrendered and what would be created. I think 25 million is in the ballpark.

Answer:

The Large-scale Renewable Energy Target (LRET) has specified annual targets set in legislation. Each year liable entities must acquit their LRET liability through the purchase and surrender of Large-scale Generation Certificates (LGCs). Liable entities must surrender the required number of LGCs to the Clean Energy Regulator by the 14 February deadline to meet their previous year's annual requirements (determined by the Renewable Power Percentage).

At the end of February 2015, after liable entities surrendered their liability requirements for 2014, there were around 23 million LGCs in surplus. This surplus should not be construed as the true level of liquidity as around half of the surplus LGCs are held by liable entities to cover their future liabilities.

For certificate holdings as at 10 June 2014, refer to Question on Notice number 111 (Budget Estimates 2014). Please note that this information is dated and continues to change as certificates are transferred between accounts and are surrendered to the Clean Energy Regulator.