

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Answers to questions on notice
Environment and Energy portfolio

Question No: 280
Hearing: Additional Estimates
Outcome: Agency
Programme: Clean Energy Regulator
Topic: New capacity required to meet the 2018 legislated target
Hansard Page:
Question Date: 14 March 2017
Question Type: Written

Senator Back asked:

According to the legislation, the target for 2017 is 26,031 GWh. It was agreed that we will fall short of this year's target by at least 6,000 GWh. It was stated that we have about 13.4 million LGCs left in the market after the surrender period just gone by. So the shortfall for 2017 will use at least 6 million of the LGCs left in the market, leaving approximately 7.4 million yet to be surrendered (in the market). How many megawatts of new capacity would have to be built next year in order for us to meet the legislated target for 2018 of 28,637 GWh?

Answer:

In answering this question, the Clean Energy Regulator will assume the surplus after the 2017 assessment year obligations that have been acquitted will approximately equate to the 7.4 million Large-scale Generation Certificates (LGCs) suggested in the question. However, the Clean Energy Regulator notes that many factors may change this number including whether or not there is any material shortfall for the 2017 assessment year and the pace at which new build may be constructed and commence generation.

As at 22 March 2017, the Clean Energy Regulator has noted approximately 2,935 megawatts (MW) of firm new build announcements. Some of these have a final investment decision and some have announced a Power Purchase Agreement with a final investment decision expected as the next stage. From available information, the Clean Energy Regulator has made some coarse assumptions on when these projects might start generating and contribute a part year's supply of LGCs before the end of the 2018 assessment year.

At this stage, the Clean Energy Regulator's view is that it is unlikely there will be a deficit of LGCs to meet the legislated target of 28,637 gigawatt hours (GWh) in 2018 assuming the surplus of 7.4 million LGCs suggested in the question and that approximately 2,935 MW of the firm announcements are built and generating for at least part of 2018.