

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

Answers to questions on notice
Environment and Energy portfolio

Question No: 283
Hearing: Additional Estimates
Outcome: Agency
Programme: Clean Energy Regulator
Topic: Shortfall charges
Hansard Page:
Question Date: 14 March 2017
Question Type: Written

Senator Back asked:

The total shortfall charges for the large-scale scheme for 2016 totalled \$131 million, and in the previous year a small number of liable entities paid \$8,144,170 as a shortfall charge. Is that correct?

The shortfall payment has resulted in 2.35 million LGCs not being surrendered, which will mean that there is an extra 2.35 million certificates in the market that can be used to make up the difference between the legislated target and the actual generation level for this year. Is that correct?

Answer:

As at 27 February 2017, the total large-scale generation shortfall charges for the 2016 year were \$148.5 million and the total large-scale generation shortfall charges for the 2015 year were \$4.5 million.

The total shortfall in 2016 equates to 2.35 million Large-scale Generation Certificates (LGCs). This includes 2.28 million LGCs where the liable entity incurred a shortfall charge. The remaining LGCs did not incur a shortfall charge as the shortfall was less than 10 per cent of the relevant liable entities' total LGC liability. These LGCs can be surrendered against 2017 or future years' liability. Following the 14 February 2017 surrender deadline, there were more than 13 million LGCs available in the market, including the 2.35 million LGCs not surrendered in relation to 2016.