

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

Question No: 284
Hearing: Additional Estimates
Outcome: Agency
Programme: Clean Energy Regulator
Topic: Meeting the target
Hansard Page:
Question Date: 14 March 2017
Question Type: Written

Senator Back asked:

Based on the 13.4 million LGCs currently left in the market in what year will we have insufficient certificates to satisfy the target and comply with the legislation?

In that case, will liable entities then be forced to pay the shortfall charge?

Answer:

Based on available information, the Clean Energy Regulator cannot currently see a year in which there will be insufficient total Large-scale Generation Certificates (LGCs) to satisfy the annual legislated targets (also refer to the response to Question on Notice 280). Supply and demand is likely to be tightly balanced for the 2018 assessment year, though the Clean Energy Regulator considers a deficit of LGCs is unlikely. There is still sufficient time for the new renewable energy power station build to occur to provide the necessary LGC supply.

It is in the hands of liable entities to forward contract for the supply of LGCs they need to meet their obligations. The Clean Energy Regulator cannot predict how liable entities will behave in relation to shortfall in future years.