

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

Question No: 285
Hearing: Additional Estimates
Outcome: Agency
Programme: Clean Energy Regulator
Topic: Emissions reductions achieved by renewable energy generation
Hansard Page:
Question Date: 14 March 2017
Question Type: Written

Senator Back asked:

Referring to your response to QON 317 in point one, you have stated that the Act “does not require the new renewable generation to be reconciled back to emissions reduction” and in your response to QON 322 it is stated that “the percentage of a tonne of emissions reduction achieved by a large scale generation certificate is unknown”.

Referring to Dr Joseph Wheatley’s study of the 2014 NEM data, which found it to be in the region of 0.78 of a tonne of emissions, the figure referred to by the Department of Environment was 0.82 of a tonne of emissions. Why would the Department of Environment be referring to 0.82 of a tonne when the Regulator has claimed that the figure is “unknown”, “not required by the legislation” and that “the number of certificates issued are not linked to the amount of abatement”?

If the legislation and the objectives of the Act are to reduce emissions within the electricity sector why is there no auditing of actual emissions reductions?

Answer:

The Clean Energy Regulator’s response to Question on Notice (QON) 322 from the Supplementary Budget Estimate hearings of 28 October 2016 (“unknown”) also refers the reader to the response provided in QON 321. In QON 321, the Clean Energy Regulator stated “the Clean Energy Regulator does not have all the necessary inputs to calculate the average cost of one tonne of abatement of greenhouse gas (GHG)”.

As stated in our answer to QON 321 “The Renewable Energy Target (RET) scheme, established by the Act, allows for one large-scale generation certificate to be issued for each megawatt hour (MWh) of eligible electricity generated from an accredited power station”. It does not require that these MWhs be reconciled back to emissions reduction.

The carbon abatement from additional renewable generation is unknown to the Clean Energy Regulator. The Clean Energy Regulator cannot determine the abatement delivered from each MWh that is dispatched as the Regulator does not know what generation that displaced. The national electricity market is dynamic and managed by the Australian Energy Market Operator.

Any questions as to how Dr Wheatley and the Department of the Environment and Energy arrived at their number should be directed to the Department of the Environment and Energy.