

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

Question No: 110
Hearing: Budget Estimates
Outcome: Agency
Programme: Clean Energy Regulator
Topic: RET CERTIFICATES
Hansard Page: N/A
Question Date: 02 June 2014
Question Type: Written

Senator Back asked:

Have any RET certificates been forward issued or issued in advance of actual generation?

- a. If so, how many certificates have been forward issued or issued in advance of actual generation?
- b. When were these certificates issued?
- c. When will these certificates be validated and or surrendered (ie. have their value realised)?
- d. In relation to Small-scale certificates, what are 'phantom credits'?
- e. Have any Large-scale certificates been forward issued and/or validated in advance of actual generation?
- f. In relation to Large-scale certificates, are there phantom credits?
- g. Are there any restrictions or time-limits pertaining to d, e and f?

Answer:

Renewable Energy Target (RET) certificates consist of the following:

1. Small-scale Technology Certificates (STCs) for deemed small-scale solar, wind, hydro, solar water heaters and air source heat pumps; and
2. Large-scale Generation Certificates (LGCs) for accredited RET power stations.

Small-scale systems are often referred to as 'deemed' units. Because they generate or displace only a small amount of electricity each year (relative to a large power station), it is not practicable to meter this amount of electricity and award certificates each year. Instead certificates are awarded by the Clean Energy Regulator for a number of forward years (the deeming period) closer to the time a system is installed.

- a. 167,461,096 certificates for deemed small-scale systems have been registered.
- b. Certificates for deemed small scale systems have been issued progressively since the inception of the RET scheme in 2001.
- c. STCs must be created within twelve months of a system's installation. STC creation is subject to an audit process where certificates are either validated or made invalid; this can take four weeks. There is no legislative timeframe in which to validate certificate creations.

- d. There is no such concept as 'phantom credits' in the RET legislation. However, this term has been used, on occasion, in the media and elsewhere to describe the small-scale certificate multiplier (solar credits) scheme for small generation units introduced in June 2009 and withdrawn from June 2013.
- e. No. LGCs are issued to accredited RET power stations from either the date of accreditation of the power station or the date when renewable electricity was generated for the first time whichever is later.
- f. No.