

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

**Question No:** 191  
**Hearing:** Budget Estimates  
**Outcome:** Agency  
**Programme:** Clean Energy Regulator  
**Topic:** Contract breakdown  
**Hansard Page:** 67  
**Question Date:** 25 May 2015  
**Question Type:** Written

**Ms Swirepik:** I can give you the breakdown by the length of the contract, not by the delivery of abatement which I do not have at estimates with me today.

**Senator URQUHART:** Do you have that?

**Ms Swirepik:** I have the breakdown for the contract duration.

**Senator URQUHART:** And the other one you just spoke about?

**Ms Swirepik:** We would need to go back and get that.

**Senator URQUHART:** Can you provide that on notice?

**Ms Swirepik:** Yes. There are 62 contracts that are 10 years in duration; 42 contracts which are seven years in duration; one contract of five years and two contracts of three years duration.

**Answer:**

The \$2.55 billion has not been fully committed so the figures the Clean Energy Regulator is able to provide only represent contracts entered into from the first Emissions Reduction Fund auction. This auction committed approximately \$660 million which is just under a quarter of the total \$2.55 billion of funds.

The contracts have a number of inbuilt flexibility mechanisms that allow variation in when units will be delivered and paid for. For example the seller can:

- request early delivery,
- negotiate with the agency if a delivery milestone cannot be met,
- use units from other projects or purchase units from the secondary market to meet their delivery milestones.

As a result the Clean Energy Regulator is only able to provide indicative figures in regard to the projected delivery of abatement.

Scheduled deliveries are spread fairly evenly over the seven financial years from 2015-16 to 2021-22, with an average annual cost over that period of around \$70 million and 59 per cent of abatement delivered by 2020. Scheduled deliveries under contracts that have a ten-year duration continue into the financial years 2022-23 to 2025-26 at an average annual cost of around \$30 million.