

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

Question No: 190
Hearing: Supplementary Budget Estimates
Outcome: Outcome 2
Program: International Climate Change and Energy Innovation Division (ICCEID)
Topic: Renewable Energy Target Impacts
Hansard Page: 14
Question Date: 21 October 2016
Question Type: Spoken

Senator Bushby, David asked:

CHAIR: To summarise that, you looked at, after the impact of the federal renewable energy process, what would then be needed for the states to do over and above that?

Mr Archer: That is right. The Australian Energy Market Operator takes into account what existing policies are in place. In this case, in their 2015 report the Commonwealth renewable energy target is factored into that.

CHAIR: So this is looking at what will be needed in addition to that?

Mr Archer: That is right. We did that for each state and territory where there has been a specific renewable energy target announced or committed to. Then we applied an estimate of the cost of building the renewable power stations needed to meet those targets, after allowing for the fact that there will be some small-scale renewables that are likely to be invested in in the ordinary course of events.

CHAIR: What have you found?

Mr Archer: We arrived at a figure of \$41 billion for the additional capital cost that would be required to develop those renewable power stations to meet those state and territory targets.

CHAIR: And that is across the nation?

Mr Archer: In this case, our costs showed that there are only two jurisdictions where you would need additional renewables to meet those targets. In some other jurisdictions, those projections that AEMO has developed showed that those targets will be met without any further policy action from the states and territories. Where it was clear that you would need additional renewable generation capacity built was in Victoria and Queensland.

CHAIR: Is there a split-up of the \$41 billion between Queensland and Victoria?

Mr Archer: Yes, that is right.

CHAIR: Can you tell you what it is?

Mr Archer: I may have to take that on notice.

Answer:

Of the \$41 billion in additional capital costs required to meet state renewable energy targets, we estimate that \$27 billion would be required in Queensland and \$14 billion in Victoria.