

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

Question No: 317
Hearing: Supplementary Budget Estimates
Outcome: Agency
Program: Clean Energy Regulator (CER)
Topic: 2014 Generation Data
Hansard Page: N/A
Question Date: 28 October 2016
Question Type: Written

Senator Back, Chris asked:

Referring to the study of 2014 generation data by Dr Joseph Wheatley titled: CO2 Emissions Savings from Wind Power in the National Electricity Market (NEM);

1. As an economic regulator, has the CER investigated how wind farms operating within Tasmania can reduce emissions within the electrical sector in line with the objectives of the REE Act 2000 when Tasmania is already 99.5% renewable?
2. If new wind farms are constructed in Tasmania in the future, to what extent will they simply be offsetting the emissions savings achieved by renewable hydro generation?
3. How would accrediting new wind farms in Tasmania reduce emissions within the electrical sector as per the objectives of the REE Act 2000 when they are replacing hydro generated electricity?
4. Why are Tasmanian electrical consumers forced to pay the renewable energy surcharge on their electricity bills when Tasmania as a State has already met and exceeded the renewable target?

Answer:

1. No. This is not the role of the Clean Energy Regulator. The primary objective of the *Renewable Energy (Electricity) Act 2000* (the Act) is to increase the overall amount of **Australia's** electricity generated from renewable sources. Reducing emissions is the secondary objective of the Act; however, the Act provides the incentive in the form of renewable energy certificates (one certificate for each megawatt hour of generation) and does not require the new renewable electricity generation to be reconciled back to emissions reduction.
2. Hydro generation can vary depending on rainfall and dam levels and Tasmania is connected to the National Electricity Market (NEM) via Basslink. Hence, additional wind farm generation in Tasmania may enable Tasmania to import less electricity from Victoria and to export additional electricity to Victoria. New wind farms would only be offsetting the emissions savings achieved by hydro generation if the dams were spilling as a result of new wind generation rather than the water being used for hydro generation.
3. Refer to the response in part 2 above. Regardless of its location in Australia, a power station may be eligible for accreditation under the Large-scale Renewable Energy Target if it meets all the eligibility requirements outlined in Section 14 of the Act. The Clean Energy Regulator must approve an application for accreditation of a power station if the power station meets the eligibility requirements outlined in the Act.

The liability provisions of the Act apply to all liable acquisitions of electricity in Australia. The liable parties are typically electrical retailers. The Act does not require a surcharge to be applied to electricity bills.