

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Answers to questions on notice
Environment and Energy portfolio

Question No: 321
Hearing: Supplementary Budget Estimates
Outcome: Agency
Program: Clean Energy Regulator (CER)
Topic: Greenhouse Gas Abatement Costs
Hansard Page: n/a
Question Date: 28 October 2016
Question Type: Written

Senator Back, Chris asked:

What is the average cost of one tonne of abatement of GHG emissions under the RET scheme?

Answer:

The objectives of the *Renewable Energy (Electricity) Act 2000* (the Act) are:

- (a) to encourage the additional generation of electricity from renewable sources
- (b) to reduce emissions of greenhouse gases in the electricity sector; and
- (c) to ensure that renewable energy sources are ecologically sustainable.

The Renewable Energy Target (RET) scheme, established by the Act, allows for one large-scale generation certificate (LGC) to be issued for each MWh of eligible electricity generated from an accredited power station. There is no nexus between an LGC issued and a required level of abatement, however, eligible renewable electricity generation should displace fossil fuel generation and hence reduce greenhouse gas emissions. The number of certificates issued under the Act is not linked to the amount of abatement.

The Clean Energy Regulator collects data for the purpose of validating claims made for the creation of certificates under the national scheme. Imposing requirements on scheme participants to provide information that is not necessary for the purposes of the administration of the scheme would, in the Clean Energy Regulator's view, impose an unnecessary reporting burden on scheme participants.

As a result, 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) emissions under the RET scheme.