

**Senate Finance and Public Administration Legislation Committee**  
**Additional Estimates Hearing – February 2010**  
ANSWER TO QUESTION ON NOTICE

**Topic: The Renewable Energy Target**

**Question reference number: CC3**

**Type of Question: Hansard F&PA page 113**

**Date set by the committee for the return of answer: 26 March 2010**

**Number of Pages: 1**

**Question:** (Senator Milne)

**Mr Comley**—I would have to take on notice the extent to which that was already incorporated in the modelling that was prepared last year...

**Senator MILNE**—Yes, I would like to know whether that was incorporated in the thinking. If not, what happens if all that comes on-stream and the government's rebate is still in the market? What would that do to the REC price?

**Dr Parkinson**—Happy to take that on notice, Senator.

**Answer:**

The Department commissioned McLennan Magasanik Associates (MMA) to model the benefits and costs of the expanded national Renewable Energy Target and released a report on the outcomes of the modelling in January 2009. The report states that "MMA has...developed a separate model for forecasting REC creation from solar water heaters taking into account the impact of a range of support policies." The Department has confirmed with MMA that this includes taking into account the forthcoming phase-out of electric hot water systems.