

Committee Secretary
Senate Standing Committee on Environment,
Communications and the Arts
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia



August 15 2008

Dear committee members,

Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008

I am writing to make a submission to the Inquiry into the *Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008*.

Friends of the Earth Australia is a national environment and social justice organisation and is a member of Friends of the Earth International which has chapters in over 80 countries.

The need for urgent action

The next 5 -10 years present us with a small window of opportunity in which to act to prevent catastrophic and irreversible changes to the earth's climate. While a temperature increase of no more than two degrees has commonly been deemed the upper limit to avert "dangerous" climate change, the ice melt witnessed in the Arctic in the summer of 2007 serves as a stark warning that climate change is already dangerous, and greenhouse gas concentrations in the atmosphere are already too high. Not only must we reduce emissions to near zero as quickly as possible we must also take steps to cool the planet by drawing down greenhouse gases through bio-sequestration.

The current policy settings of the Australian government, along with many in Europe, point us to at least a 3-4 degree rise. This is can not be justified as a target as it will inevitable produce a runaway climate and much higher temperatures.

The impacts of climate change are already being felt around the world. Droughts around the world, including Australia, have grown longer and more intense, there have been more heat waves and tropical cyclones have increased in intensity. People living in low lying islands of the Pacific, millions of people in Bangladesh, and pastoralist people in northern Kenya and across the Sahel, are already feeling serious impacts upon their lives and livelihoods. These are the communities least responsible for greenhouse gas emissions and yet are bearing the brunt of the enormous changes already underway.

Averting catastrophic changes to our climate requires urgent emergency action that goes well beyond business-as-usual political and economic solutions. Governments, including the Australian government, must make climate change their number one priority and provide strong regulation and structured intervention to urgently shift to a low carbon economy. This will involve not only technological change, but major lifestyle changes and reduced consumption.

The recent call by former US Vice-President Al Gore to Repower America by shifting to 100% electricity production from renewable energy in ten years is the exactly the sought of vision and plan that is needed to solve this crisis. Friends of the Earth Australia would welcome such a vision from Australia's political leaders.

The limitations and possible failure of carbon pollution reduction scheme

Friends of the Earth Australia is not convinced that the proposed emissions trading scheme will make substantial inroads into Australia's emissions quickly enough to fulfill this need for urgent action. It is also likely that the scheme may fail to reduce emissions at all.

It is likely the cap and consequent price will be set too low. The proposed compensation and free permits to polluters, international linkage allowing offsetting and the possible inclusion of forestry offsets will also work to maintain Australian emissions at high levels and ensure that the carbon price does not drive a rapid shift to renewables.

In addition as the recent report on energy efficiency by Allen Consulting Group showed price alone will not be a sufficient driver to change behaviour and consumption. Particularly amongst those consumers and businesses where energy is such a low percentage of total household or business expenditure. Yet it is precisely these business and consumers that we need to invest in energy efficiency and other capital expenditures to reduce emissions.

Regardless of how successful the emissions trading scheme is in reducing emissions it is clear that substantial additional measures are needed to drive a shift to decentralised and distributed renewable energy production and away from coal powered electricity.

While a mandatory renewable energy target is crucial, this will primarily drive change in the large scale energy sector and not throughout the community.

A comprehensive national feed-in-law scheme, as has been shown in Germany, can make a significant contribution to a societal push to develop a renewable energy base.

Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008

Friends of the Earth Australia supports the Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008 because it would provide the basis for a German-like revolution in the take up of renewable energy production by individual households and communities.

It does this by:

- putting in place a single national scheme which will provide a universal approach, which will ensure simplicity and maximum benefit to consumers and the renewable industry;
- not restricting the application of the bill to photo-voltaics but all renewables. This will also provide flexibility and incentives to developing technologies that could benefit from the scheme without the need for future amendment;
- giving consumers the full financial benefit of all power they generate not just the net-power produced by photo-voltaics as has been proposed by some state schemes;
- building in flexibility by allowing the prices to be set by regulatory authorities which can scale up or down returns depending on the density and maturity of a particular technology.

In conclusion, the scheme set out in the bill is precisely the practical government intervention that is needed drive an urgent transformation of our energy economy. No particular program can solve the problem of rapidly de-carbonising our economy, but feed-in-tariffs are a crucial part of what must be done.

We hope that committee can support this bill and that it is adopted by the government as part of a substantially strengthened response to the climate emergency.

We would be happy to elaborate on our submission in any public hearings held by the committee.

Yours Sincerely

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