



EAGA

EASTERN ALLIANCE FOR
GREENHOUSE ACTION
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Renewable Energy Target Review
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600

Email: RETreview@pmc.gov.au

15th May 2014

Dear Sir/Madam,

Re: Review of the Renewable Energy Target (RET) scheme

The Eastern Alliance for Greenhouse Action (EAGA) welcomes the opportunity to respond to the Review of the RET scheme. EAGA is a formal Alliance of seven Councils in Melbourne's East, including:

- City of Boroondara
- Knox City Council
- Maroondah City Council
- City of Monash
- City of Stonnington
- City of Whitehorse
- Yarra Ranges Council

EAGA is committed to delivering mitigation and adaptation projects and advocating for initiatives that support sustainable, low carbon communities. Our Councils recognise the importance of policy and regulatory mechanisms in overcoming the barriers to renewable energy generation and therefore have a significant interest in the continuation and long term sustainability of the RET scheme. We therefore urge the Government to consider the following issues in reviewing the regulations that support the scheme:

1. The lack of appropriate objective expertise on the 'expert' panel

The review's Terms of Reference (TOR) clearly states that the review scope will include the consideration of the interaction of the RET with other Commonwealth and State/Territory policies and regulations. This technically challenging task is made even more complex against a backdrop of an economy transitioning between the Clean Energy Future package and the Governments Direct Action plan.



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Ensuring the Panel has suitable expertise to navigate these complexities is therefore essential to an informed review process. This could be easily addressed through the inclusion of representatives from the academic sector – any one of the renowned energy experts from RMIT, Monash or Melbourne Universities would be a welcome addition to the Panel. EAGA is also concerned by the exclusion of appropriate representation from the renewable energy industry itself. The inclusion of a representative from the REC Agents Association would balance and compliment the expertise around manufacturing, energy market operation and traditional forms of energy generation already appointed to the Panel.

2. Any proposed changes to the RET need to examine the impact on Australia's ability to meet its emission reduction targets

As stated in the TOR, the aim of the RET is to both increase renewable energy generation and reduce emissions from the electricity sector, however the *RET Call for Submissions*¹ paper does not address the issue of how this impacts Australia's ability to meet its overall emissions reduction target. This is important as *Australia's Abatement Task and Emission Projections*² includes the RET in the business as usual scenario, meaning any changes to the RET will impact the cost and volume of abatement required to meet any emissions reduction target. For instance, a reduction in the RET target will result in an equivalent increase in the business as usual emissions projections, with a corresponding increase in the volume of abatement required to meet an overall target. It may be therefore more expensive to capture this additional abatement through other means than achieving the RET itself. EAGA recommends that a rigorous independent assessment of these impacts is included within the review.

3. The RET has a continuing role to play in supporting investment in renewable generation

The RET scheme has been critical for supporting Australian businesses and households to invest in renewable energy. Data provided by the Clean Energy Regulator demonstrates that more than \$1.7 billion was invested by Australians in solar PV in 2013³ alone, with over 2 million homes now accommodating solar installations⁴.

¹ http://retreview.dpmc.gov.au/sites/default/files/papers/RET_Review_Call_Submissions.pdf

² <http://www.climatechange.gov.au/climate-change/news-article/australia%E2%80%99s-abatement-task-and-2013-emissions-projections>

³ <http://ret.cleanenergyregulator.gov.au/Forms-and-Publications/Publications/publication-of-oope>

⁴ <http://ret.cleanenergyregulator.gov.au/REC-Registry/Data-reports>



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Continued investment will require ongoing policy stability and investor confidence - the review should therefore focus on improvements to the RET, rather than challenge its continued existence.

EAGA is willing to work with the Federal Government to ensure that consistent and robust approaches to renewable energy generation are adopted which represent the best value proposition for households, business and Councils.

Kind regards,

Cr Maria McCarthy
Executive Chair
Eastern Alliance for Greenhouse Action
Councillor, Yarra Ranges Council

