



Australian Network of Environmental  
Defender's Offices Inc

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16<sup>th</sup> May 2014

Expert Panel  
Review of the Renewable Energy Target

By email: [RETReview@pmc.gov.au](mailto:RETReview@pmc.gov.au)

Dear Panel Members,

### **Renewable Energy Target Review 2014**

The Australian Network of Environmental Defender's Offices Inc (**ANEDO**) is a national network of independent community legal centres specialising in public interest environmental law and policy. Each EDO is dedicated to protecting the environment in the public interest. EDOs provide legal representation and advice, take an expert role in environmental law reform and policy formulation, and offer a significant education program designed to facilitate public participation in environmental decision making. We welcome this opportunity to comment on the review of the renewable energy target (**RET**).

ANEDO has commented extensively on Australian Government renewable energy and climate change policies, including previous consultations on the RET scheme, the Draft Energy White Paper, proposed National Energy Savings Initiative and the Clean Energy Future package.<sup>i</sup> In light of the recent review and consultations on the RET scheme by the Climate Change Authority, we reiterate our key messages from that review here, from the perspective of public interest environmental law and policy.

The operation of the RET displays substantial benefits in terms of financial investment, job creation and reduction in greenhouse gas emissions. In the event that the RET is repealed cumulative greenhouse gas emissions to 2019-2020 will increase by 34.7 million tonnes.<sup>ii</sup>

The RET has stimulated approximately \$20 billion of new investment in renewable energy projects in Australia and supported the creation of over 24,000 jobs while modelling projects further investment of \$14.5 billion in large scale renewable energy projects and the creation of a further 18,400 jobs through to 2020.<sup>iii</sup> The RET has facilitated growth in both large and small scale renewable energy generation. According to the Clean Energy Regulator power stations capable of delivering around 16,000 Gigawatt-hours of additional electricity generation have been accredited.<sup>iv</sup> Small-scale renewable energy installations have the capacity to generate 4,182 gigawatt-hours of renewable electricity, displace and a further 2,700 Gigawatt-hours through the use of solar hot water heaters and heat pumps installed since the introduction of the RET.<sup>v</sup>

ANEDO strongly supports the continuation and enhancement of the RET. This scheme is an important measure in a suite of legislative tools and policies to reduce Australia's greenhouse gas (**GHG**) emissions. We submit that as the Australian Parliament committed to ensure 'the equivalent of *at least* 20 per cent of Australia's electricity supply comes from

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renewable resources by 2020',<sup>vi</sup> the review should specifically consider recommendations to assist Australia to go *beyond* the 'minimum' 20%.

ANEDO supported the guiding principles of the Climate Change Authority's previous review of the RET – including environmental effectiveness, economic efficiency, equity and public interest. In addition, ANEDO supports using the principles of ecologically sustainable development (**ESD**) as a reference point for the review and recommendations.<sup>vii</sup> This would align the scheme with the objectives of the *Renewable Energy (Electricity) Act 2000* (Cth) (**REE Act**), which include: 'to ensure renewable energy sources are ecologically sustainable'.<sup>viii</sup>

Since the Climate Change Authority's review of the RET in 2012<sup>ix</sup> we note that it has released the Targets and Progress Review of Australia's greenhouse gas emissions reduction goals. The Review recommended a coordinated set of goals including a minimum target of a 15% reduction in greenhouse gas emissions below 2000 levels by 2020 in conjunction with using Australia's carryover under the Kyoto Protocol to raise the 2020 target by 4 % effectively reaching an overall reduction target of 19%.<sup>x</sup> ANEDO supports the Authority's proposals for greater emissions reduction targets, given the urgency of the global climate change challenge, and the importance of Australia's contribution as a wealthy, technologically advanced and environmentally 'megadiverse' country.

We refer the panel to our previous submission and outline key recommendations below.

#### Large-scale Renewable Energy Target (LRET)

- The 2020 target should be increased beyond 20% to accelerate a low-carbon transition.
- The 20% target should be increased in the period from 2020 to 2030, to ensure that renewable energy becomes an increasing proportion of Australia's energy mix.
- Prior to 2030, there must be a comprehensive review to establish the most effective way to facilitate increased renewable energy generation and use beyond 2030.
- ANEDO strongly supports 'topping up' the LRET target to take account of activities funded by the Clean Energy Finance Corporation (CEFC).
- Shortfall charges for non-compliance must remain significantly higher than the cost of compliance; and the Authority should also consider additional ways to encourage compliance (such as more prominent publication of non-compliance, and 'make good' provisions where requirements are not met).
- ANEDO supports the ability for individuals and organisations to purchase and voluntarily surrender certificates in the LRET.
- Both the EITE partial exemption and the 'self-generator exemption' should be reviewed, with a view to further limiting or phasing out these exemptions, and increasing their transparency.
- Exclude native forest waste and re-evaluate the ongoing eligibility of wood waste as a renewable energy source, and whether it should be further limited to minimise environmental impacts.
- No new waste coal mine gas (WCMG) capacity (or any fossil fuel waste products) should be included in the RET.
- The principles of ESD should be a mandatory consideration in determining technologies' eligibility (for the LRET and SRES).

#### Small-scale Renewable Energy Scheme (SRES)

- ANEDO reiterates its support for an uncapped scheme for Small-scale Technology Certificates (STCs).
- ANEDO welcomes the Authority's further consideration of additional technologies.

- ‘Deeming’ arrangements are an appropriate way for SRES participants to receive certificates. However, we support the Authority examining:
  - whether deeming calculations are adequate, and
  - whether the Clean Energy Regulator has sufficient powers and resources to ensure deemed generation reflects actual outcomes (for example, by monitoring, reporting and auditing).
- The Authority should consider including a mechanism to increase the annual renewable energy target by the number of certificates granted for solar energy not actually generated, to ensure the integrity of targets.

#### Other issues

- ANEDO supports the continued operation of the Clean Energy Finance Corporation especially in light of recent proposed budget cuts to the renewable energy sector of government.
- ANEDO recommends that a general review period (for example, 5 yearly) may be more appropriate, if coupled with a legislative mechanism allowing more regular targeted review of specific issues (for example, the level of shortfall charges and the scope of exemptions).
- The Authority’s Discussion Paper should consider how state planning regulation (and renewable energy initiatives) can better integrate with national climate change policies, including the RET.

If we can provide any additional information, please contact [rachel.walmsley@edonsw.org.au](mailto:rachel.walmsley@edonsw.org.au) or 02 9262 6989.

Yours sincerely,

**Australian Network of Environmental Defender’s Offices**



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<sup>i</sup> For example, the following ANEDO submissions are available at <http://www.edo.org.au/policy/policy.html>: Submission on the Climate Change Authority’s *Renewable Energy Target Review Issues Paper* (2012-13); Submission on *Enhancing the Renewable Energy Target Discussion Paper* (April 2010); Submission on *Discussion Paper 4: Treatment of new waste coal mine gas power generation in the RET* and *Discussion Paper 5: Treatment of Solar Credits and Renewable Energy Certificates under the RET* (Jan. 2010); Submission on the RET scheme Exposure Draft legislation (February 2009); Submission to the Inquiry into the *Renewable Energy (Electricity) Amendment (Feed in Tariff) Bill 2008* (August 2008); Submission to the COAG Working Group on Climate Change and Water on *Design Options for the Expanded National Renewable Energy Target Scheme* (July 2008). See further: Submission on the Australian Government’s *Draft Energy White Paper* (March 2012); Submission on the *Issues Paper for a National Energy Savings Incentive* (February 2012); Submissions on the *Clean Energy Future* Legislative Package (August and September 2011).

<sup>ii</sup> ROAM Consulting, *Report to Clean Energy Council: RET policy analysis* (April, 2014), 4.

<sup>iii</sup> ROAM Consulting, *Report to Clean Energy Council: RET policy analysis* (April, 2014), 3.

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<sup>iv</sup> Clean Energy Regulator. (2014). Renewable Energy Target 2013 Administrative Report. Clean Energy Regulator. Commonwealth of Australia, 6.

<sup>v</sup> Clean Energy Regulator. (2014). Renewable Energy Target 2013 Administrative Report. Clean Energy Regulator. Commonwealth of Australia, 9.

<sup>vi</sup> Explanatory Memorandum, *Renewable Energy (Electricity) Bill 2010* (emphasis added); cited in Climate Change Authority, *Renewable Energy Target Review Issues Paper*, August 2012 (Issues Paper), p 12.

<sup>vii</sup> For example, the precautionary principle; equity within and between generations; protection of biodiversity and ecological processes as a fundamental consideration in decision-making; improved environmental valuation and the 'polluter pays' principle; and recognising the importance of broad community involvement in decision-making. See also *REE Act*, definition of 'ecologically sustainable', s 5.

<sup>viii</sup> *REE Act*, s 3 and definition of 'ecologically sustainable' in s 5. See also National Strategy for Ecologically Sustainable Development, endorsed by COAG December 1992. For example, Objective 8.1: 'to limit harmful emissions arising from energy production and distribution wherever economically efficient, and to promote alternative energy sources', at <http://www.environment.gov.au/about/esd/publications/strategy/energy.html>.

<sup>ix</sup> Climate Change Authority. (2012). Renewable Energy Target Review - Final Report. Commonwealth of Australia.

<sup>x</sup> Climate Change Authority (2014) *Reducing Australia's Greenhouse Gas Emissions Reductions: Targets and Progress Review – Final Report*