



The Hon Greg Hunt MP

Minister for the Environment

10 May 2016

Ms Claire O'Rourke
National Director
Solar Citizens
Level 14, 338 Pitt St
Sydney NSW 2000

Dear Ms O'Rourke,

Thank you for your letter of 2 May 2016 to the Prime Minister. I am responding on his behalf.

The Turnbull Coalition Government is a strong supporter of renewable energy. It was the Coalition who reinvigorated the sector by fixing the mess Labor made of renewable energy.

When the Coalition was elected in 2013, the Renewable Energy Target was headed for failure. The constant and ad-hoc policy changes introduced by the previous Labor Government had created a huge bank of phantom Renewable Energy Certificates. This was undermining investment in renewable energy.

The new Renewable Energy Target, which was introduced by the Coalition Government and supported by the Australian Parliament, will see 23.5% of Australia's electricity supplied from renewable sources by 2020.

This will see a doubling of large-scale renewable energy by 2020.

Since the Coalition Government fixed Labor's mess last June and brought stability and confidence to the sector, more than 700MW of new investments have been announced. This reaffirms the position taken by the independent Clean Energy Regulator, which in its Annual Statement released on 4 May said Australia was on track to meet the 2020 renewable energy target.

Australians should be proud of their record on renewable energy – we are the world leaders in solar panels on houses, with 15% having invested in solar – double the next highest.

More than 2.5 million solar installations are on the roofs of Australian homes and businesses. 500,000 of those have been installed since the Coalition Government was elected in 2013.

The Turnbull Coalition Government supports a measured and sensible transition for renewable energy that does not impose unnecessary costs on Australian families, pensioners and small businesses, and in a way that looks after affected communities.

That is why Labor's 50 per cent target by 2030 is irresponsible. Labor does not have a plan to achieve the target, nor have they estimated the costs.

When asked how much Labor's plan would cost, Labor's Joel Fitzgibbon said "no one knows – that's the truth of it" (The Bolt Report, 27 July 2015: <http://www.heraldsun.com.au/nocookies>).

Cost estimates for Labor's 50% Renewable target by 2030 vary between \$48 billion and \$85 billion depending on assumptions about network and transmissions upgrades. It is clear this is a very significant cost that would be borne by Australian families, pensioners and businesses.

Even Tony Maher of the CFMEU agrees.

"An increased Renewable Energy Target of 50% by 2030 will increase the cost of electricity for manufacturing and ordinary households while being a poor tool to reduce Australia's overall global warming emissions." (May 2015 letter to Labor MPs: <http://cfmeu.com.au/lean-push-for-50-renewable-energy-by-2030-target>).

For these reasons, the Turnbull Coalition Government has set an ambitious but achievable target of 6,000 additional megawatts, as well as uncapped growth in the number of solar households.

Regarding the other questions you have asked:

Clean Energy Auctions

The Renewable Energy Target Scheme is the means by which renewable energy will be delivered. Any change to the scheme and target would undermine market confidence and thereby reduce investment in renewable energy.

National Solar Feed-in Tariff

Feed-in tariffs are a matter for State Governments. Your question would be better directed to them.

Community Renewable Energy

The Turnbull Coalition Government, through the establishment of the ARENA/CEFC \$1 billion Clean Energy Innovation Fund, has provided the capacity for innovative debt and equity funds to be made available for the development of community renewable energy facilities.

CEFC and ARENA

On 23 March this year, the Turnbull Coalition Government announced a strong new approach to clean and renewable energy innovation in Australia.

With the establishment of the \$1 billion Clean Energy Innovation Fund, support will be provided for emerging technologies to make the leap from demonstration to commercial deployment.

As the Prime Minister noted when announcing this, this new funding approach will deliver “a better quality of investment and a better quality of project.”

The Turnbull Coalition Government’s approach is clear. It will encourage investment in renewable and clean energy projects, which will not only deliver better projects and outcomes but make a return for taxpayers. This will place Australia on a measured and sensible transition path to cleaner energy sources.

Yours sincerely,



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