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**Feedback on the Climate Change Authority's  
Draft Recommendations  
on the Renewable Energy Target Review.**

Submitted by email: [enquiries@climatechangeauthority.gov.au](mailto:enquiries@climatechangeauthority.gov.au)

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The Justice and International Mission Unit welcomes the opportunity to provide feedback on the discussion paper outlining the Climate Change Authority's draft recommendations on the Renewable Energy Target review.

The Unit is broadly supportive of the direction of the discussion paper and the recommendations. We have outlined our response against relevant recommendations below.

If Australia is to do its necessary part in transitioning its economy as its contribution to avoiding a global temperature rise above 2°C, the Renewable Energy Target needs to be retained and expanded beyond 2020 to ensure the necessary transition is made away from fossil fuel based energy.

Whilst the Unit is not supportive of including waste coal mine gas power generation under the RET we note that it does set a precedent for expanding the target in order to offset the inclusion of a component that might otherwise undermine the cost of the RECs.

*1. The preliminary view of the Authority is that the frequency of scheduled scheme reviews be amended from every two years to every four years, so that the next review would be in 2016.*

The Unit supports the need for investor certainty in the renewables industry but recognises this is still an area of uncertainty due to the number of policies at domestic, state and international level which will impact up on it. We support a change in scheduled scheme reviews to four years.

*2. The preliminary view of the Authority is that the form of the target should continue to be expressed in legislation in terms of a fixed gigawatt hour level.*

The Unit supports the target being expressed in a fixed gigawatt hour level on the basis that it provides more certainty than a percentage level. However, an equivalent percentage allows us to track against energy demand. With projected increases in population and therefore energy demand, the fixed gigawatt hour level may be too low to meet the overall objective or curbing our emissions at an adequate level by a particular timeframe to contribute our global fair share towards avoiding dangerous climate change.

*3. The preliminary view of the Authority is that the existing large-scale renewable target of 41,000 GWh and interim targets should be maintained in their current form.*

The Unit supports at least the maintenance of the target as it currently stands but would like to see an increase in the RET beyond 2020. We acknowledge the Climate Change Authority is looking to work with the Australian Renewable Energy Agency and the Clean Energy Finance Corporation (CEFC) to complement the RET, and not to simply fund projects that would have gone ahead in any event. We would like to see a provision for this target to be the minimum so as not to hinder the possibility of exceeding the target.

The Unit notes the report by AECOM Australia, which was commissioned by the Australian Solar Council and WWF Australia, which found strong CEFC investment in solar technologies could produce the counter-intuitive result of crowding out wind deployment in the period prior to 2020 (compared to the scenario featuring only the LRET). They concluded this could be addressed by increasing the LRET target to make CEFC projects additional; to the LRET in the period prior to 2020. This could increase wind deployment by almost 4,000

MW by 2030, with a minimal impact on the cost to consumers.<sup>1</sup> In the modelling the proportion of energy generated from large-scale renewables by 2030 increases from 29% under the scenario of the CEFC as proposed compared to 31% under the CEFC being additional to LRET.<sup>2</sup>

*4. The preliminary view of the Authority is that the Renewable Energy Target Review in 2016 is an appropriate time to consider adjusting the targets beyond 2020 in light of the policy and economic conditions prevailing at that time.*

The Unit supports a review of the target in 2016, with a view to increasing the target beyond 2020. The Unit notes the analysis undertaken by Climate Risk that:

*Under current emission trading and renewable energy policy settings (no increase in the RET after 2020), the analysis finds that most renewable energy industries will collapse in 2020 and cease project development for between 4 and 32 years until cost convergence is achieved, subject to carbon price. Exceptions are large hydro and solar hot water regardless of carbon price), and wind energy and building-integrated solar photovoltaics (PV) (under the High Carbon Price Scenario).<sup>3</sup>*

*5. The preliminary view of the Authority is that the Small-scale Renewable Energy Scheme should remain separate to the Large-scale Renewable Energy Target.*

The Unit supports the maintenance of separate schemes for small scale and large scale renewable energy, so that there is greater certainty for investments in large-scale renewable energy generation projects.

*22. The preliminary view of the Authority is that existing arrangements for waste coal mine gas should be maintained.*

The Unit has previously expressed its opposition to the inclusion of waste coal mine gas being included in the RET and notes that the original justification for its inclusion was following the cessation of the NSW Greenhouse Gas Abatement Scheme in expectation of a federal carbon pricing scheme. This transitional assistance is no longer required.

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<sup>1</sup> AECOM Australia, 'Modelling of the Clean Energy Finance Corporation', 5 November 2012, pp. i, 14-17.

<sup>2</sup> Ibid., p. 17.

<sup>3</sup> *Our Clean Energy Future*, WWF & Climate Risk, Sept 2012, p.5, <http://www.wwf.org.au/?5062/Our-clean-energy-future---100-renewables-powering-Australias-future> accessed 1.11.12