

## **Submission by Sienna Mildner**

In the interests of long term energy security and environmental sustainability, the Australian Government should rapidly expand the use of renewable energy sources to generate electricity. In the context of global climate change; increasing likelihood of carbon regulation, peak oil, increasing population pressure and increasing scarcity of non-renewable resources, investing in the renewable energy electricity generation sector is an urgent and critical move. I support a target of 50% of the State's electricity requirements to be generated from renewable sources by 2020, with a long term target of 100% of electricity requirements from renewable sources. It would require significant initial financial expenditure, but would see long term benefits for the community by generating approximately 15,000 jobs initially and 50,000 ongoing jobs and greatly increasing energy security and sustainability. This would in turn lead to improvements in the Australian economy.

The main concern that I have in regards to the Renewable Energy Target and the Climate Change Authority is that I believe they need to successfully address the main barrier to investment in large scale projects which is the ongoing uncertainty regarding the level of Federal support for renewable energy. There is a level of uncertainty at present regarding the price of Renewable Energy Certificates (REC's), carbon pricing and the general level of support for renewable energy projects. Australia is a politically stable country with abundant natural energy sources, which should make it an ideal location for investment in large scale renewable energy generation projects. However, at present the lack of clear policy, incentives and support in the national political sphere is discouraging companies from establishing these projects in Australia. Achievements to date have been very limited as a result of a lack of investment or policy. This has resulted in a renewable energy sector that is significantly underdeveloped and undercapitalised. The Australian government and the Climate Change Authority need to address the following key issues to increase investment in renewable energy electricity generation systems:

### **Large Scale**

- Demonstrate long-term commitment to and support for investment in large commercial renewable energy schemes
- Improve transmission infrastructure efficiency and capacity to allow for future expansion of generation in areas with abundant renewable resources.
- Address the inequity of subsidies for energy generation projects (non-renewable receive greater subsidies)
- Standard minimum Power Purchase Agreements or Tariffs for specific renewable energy products supplied to government owned utilities
- Capitalise on the abundant renewable energy resources and aim to become a hub for renewable energy research and development in the Asia Pacific region through significant investment and incentives to build the industry

### **And Small Scale**

- Increase financial incentives for installation of residential renewable energy systems to improve the affordability of these small generation units.
- Improve regulation to ensure high standards of product quality for residential renewable energy systems and other small generation unit products.
- Building awareness of the availability of residential renewable energy systems, not just in major cities, but in regional towns where energy supply costs from central generators are much higher

I believe a clear Federal Government policy on renewable energy, carbon pricing and financial incentives for the development of the renewable energy sector is required immediately and should be the sole focus of the Renewable Energy Target Review Issues Paper. A major barrier to investment in large scale renewable energy projects by Australian and international companies are the lack of security of return. The Australian Government needs to advocate for clear Federal policies on renewable energy that will see the issues of carbon pricing and REC prices resolved, and a high level of support offered to renewable energy generation projects. Major investment in large-scale renewable energy projects I believe are not likely to proceed until these issues are resolved.

I would like to see the Renewable Energy Target Review address subsidies for energy generation. I believe the Australian Government should reduce subsidies to coal mining and other non-renewable energy generation technologies and increase subsidies to renewable energy generation projects to match the amount spent on subsidising non-renewable projects. I have undertaken research into subsidies and found that the Queensland Government has provided subsidies to the coal industry for the 2006-2007 financial year and concluded that the direct and quantifiable subsidy was \$3.8 billion per year. This provides an unfair advantage to renewable energy providers. I hope that the Renewable Energy Target Review will support an equal level of support and include to renewable energy projects and the requirements for transmission and connection to the grid.

I would like to see the Renewable Energy Target Review address renewable energy in Remote Australia. I believe the Climate Change Authority and the Renewable Energy Target Review Issues Paper should develop policies to be able to ensure support is provided for the development community owned renewable energy enterprises to generate and supply power in remote Aboriginal and Torres Strait Islander communities as a new industry and local employment opportunity. The Renewable Energy Target Review Issues Paper should encourage further research and development of renewable generation in remote small grids with a view to increasing penetration limits for renewable energy supply in these grids while significantly reducing diesel dependence and vulnerability in these communities. This should be opened up for the involvement of research consortiums outside of state owned utilities. I believe the Renewable Energy Target Review Issues Paper has not taken into consideration Remote Australia and Aboriginal and Torres Strait Islander communities.

In the interests of creating a viable and thriving renewable energy sector capable of meeting all or our energy needs as soon as possible, I hope you will consider the points raised by myself Sienna Mildner.