



# edotasia

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131 Macquarie Street  
Hobart TAS 7000

tel: (03) 6223 2770  
fax: (03) 6223 2074  
email: edotas@edo.org.au

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Renewable Energy Target Review  
Department of the Prime Minister and Cabinet  
PO Box 6500  
Canberra ACT 2600  
**By email:** RETReview@pmc.gov.au

Dear Mr Warburton

## Renewable Energy Target Review

Thank you for the opportunity to comment on the Renewable Energy Target (RET) review. EDO Tasmania endorses the submission of the Australian Network of Environmental Defenders Offices, and seeks to make only brief supplementary comments.

EDO Tasmania continues to strongly support the broad objectives of the *Renewable Energy (Electricity) Act 2000* and the specific objective of the RET Scheme to deliver at least 41,000GWh of energy from renewable sources by 2020.

### Support for retention of the current targets

A fundamental shift in Australia's electricity generation mix is required for Australia to effectively contribute to global emission reductions with the aim of stabilising the climate. Renewable energy represents the most viable long term mechanism to reduce emissions and secure a resilient, low carbon economy, consistent with the legislative objectives.

Electricity generation projects generally involve significant investment in long-term infrastructure. As a result, facilitating major growth in renewable energy's contribution to electricity generation requires investment to be made now, and sustained. The RET scheme plays a fundamental role in creating incentives and policy stability to encourage investment, research and development in renewable energy initiatives.

Providing effective incentives for renewable energy investment demands long-term investment certainty. A stable policy framework is critical to manage risk premiums for lenders and investors, enhance the competitiveness of the renewable energy sector and maximise the prospects of meeting global emission reduction targets. Changes to the RET would put each of these objectives at risk. For this reason, EDO Tasmania strongly supports retention of the current targets.

EDO Tasmania notes that the Climate Change Authority, in the most recent review of the RET, concluded that the damage to investor confidence as a result of reducing the RET far outweighed any reduction in average household electricity costs.

### Support for renewable energy

In 2013, after widespread internal and community consultation, the Tasmanian Government released its whole of government strategy to prepare Tasmania for the impacts of climate change: *Climate Smart 2020*. The strategy explicitly aims for Tasmania to reach 100% net renewable energy capacity by 2020 and to address barriers to investment in renewable

energy. These goals recognised both the environmental benefits of reduced greenhouse gas emissions and economic benefits through job creation and reduced energy costs across the network. This goal is also reflected in support for the renewable energy sector in the Tasmanian Economic Development Plan.

On current projections<sup>1</sup>, electricity demand is likely to increase significantly by 2050, making it critical to maximise the extent to which this demand can be met from renewable sources. It is important that Tasmania effectively positions itself to capitalise on the economic opportunities presented by the changing nature of global economies and Tasmania's renewable energy resource advantages.

EDO Tasmania commends the State government for its ongoing support for renewable energy. However, it is critical that this support be complemented by similar national policy settings. The prospects of achieving Tasmania's renewable energy objectives will be compromised if the current RET goals are significantly reduced or abandoned.

In addition to investment in the production of more renewable energy, Tasmania has sought to enhance its capacity to store renewable energy. The King Island Renewable Energy Integration Project provides an example of the benefits of projects designed to enhance Tasmania's capacity to generate, store and supply renewable energy at various scales.

The potential economic benefit of intellectual property developed from this research project is recognised in the Economic Development Plan. However, the abolition of the Australian Renewable Energy Agency (ARENA) in the Federal Budget threaten continued investment in such projects – reduction or abolition of the RET would further jeopardise important research and development initiatives in this area.

### **Small scale renewable energy**

EDO Tasmania supports the retention of the small scale renewable energy scheme. While the cost of domestic scale solar panels continues to drop, making this technology directly competitive with traditional energy sources, we also recommend that each State and Territory adopt fair and consistent feed-in-tariffs to provide further incentives for homeowners, community centres, schools and small-medium sized businesses to make the initial investment in renewable energy technologies.

### **Native forest wood waste**

The terms of reference for the review include consideration of the Government's election commitment to reinstate native forest wood waste as an eligible renewable energy source.

EDO Tasmania was supportive of the decision to revoke the eligibility of native forest wood waste in 2011, and continues to support its exclusion on the basis that it is not consistent with the objective of ensuring that "renewable energy sources are ecologically sustainable".

EDO Tasmania considers that allowing native forest biomass to attract RECs would provide an incentive for native forest clearing and burning, with attendant loss of biodiversity and increased particulate pollution (already a significant issue throughout much of Tasmania).

The Forest Carbon Study commissioned by the Tasmanian Climate Change Office in 2012 undertook a comprehensive study of carbon stocks in Tasmania's forests and assessment of potential market opportunities for carbon sequestration. Assessing a wide range of forest management scenarios, the study estimated that such opportunities could net between \$80 - \$760 million.<sup>2</sup> This study confirms that the highest value return on native forests is likely to be

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<sup>1</sup> See, for example, McLennan Magasanik Associates. 2009. *Tasmanian Greenhouse Gas Emission Reduction Project - Understanding the Potential for Reducing Tasmania's Greenhouse Gas Emissions, The Tasmanian Wedges Report Final Report*. Available at [http://www.dpac.tas.gov.au/divisions/climatechange/wedges\\_report](http://www.dpac.tas.gov.au/divisions/climatechange/wedges_report)

<sup>2</sup> *Tasmanian Forest Carbon Study*. CO2 Australia Ltd (Barrie May, James Bulinski, Adrian Goodwin & Stuart Macleod). Report commissioned by Department of Premier and Cabinet, through the Tasmanian Climate Change Office.

as carbon stocks (with the co-benefits of increased tourism, increased potential for Forest Stewardship Council certification for forestry practices and maintenance of the clean-green branding on which Tasmanian businesses increasingly rely).

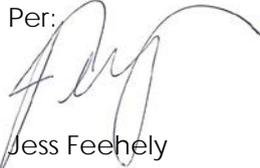
Furthermore, EDO Tasmania notes that including native forest biomass as a renewable energy source does nothing to encourage further development of innovative renewable energy projects. Rather than displacing non-renewable energy sources, consistent with the objectives of the *Renewable Energy (Electricity) Act 2000*, allowing burning of native forest biomass to count towards achievement of the LRET is likely to displace lower impact forms of renewable electricity, such as solar, wind and geothermal energy or improving efficiencies in hydro energy through increased storage capacity. Given the impacts of biodiversity losses across Tasmania's forest estate, native forest burning should not be promoted or encouraged as an equivalent alternative to more ecologically sustainable technologies.

EDO Tasmania recommends that the exclusion of native forest wood waste from the list of eligible renewable energy sources be maintained.

Kind regards,

***Environmental Defenders Office (Tas) Inc***

Per:



Jess Feehely  
Principal Lawyer