



Mandatory Renewable Energy Target Review

A review of the operation of the *Renewable Energy (Electricity) Act 2000*

Submission to the Mandatory Renewable Energy Target Review Panel

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My Submission is concerned with the Terms of Reference sections b, f, g, h, i & j1

(b): I believe this first review will find that results in lowering the greenhouse gas emissions of the electricity area will not have been significantly lowered by the current MRET. The alternative approach I favour is and increased target of 10% renewable energy target by 2010 as a necessary to generate a market size to make buying renewable power equipment cost effective. The current 2% MRET will always look poor when the size and capital costs are of a pilot scale at 10% then the margins will improve with scale so that when next reviewed it will show promise. The accounting process that allows for carbon taxing would also be worth considering.

(f) The confusion over the origin of forestry waste brings a dark cloud over the commonwealth process and reduces the consumer desire to take up renewable energy electricity when they are unsure of its generation. The use of non plantation waste should be a fineable offence.

(g) As shown by others that the MRET has given existing large hydro systems a major 'free lunch' in a good wet year. This anomaly to the intention of the Act must be changed to favour only new capital investments.

(h) As mentioned previously in (b) I believe the current target makes it very hard to gain a reasonable impact on greenhouse gas emissions in regard to the capital costs. A target by 2010 of 10% will change this for the better and give the MRET a real chance of making a difference.

(i)The scheduled end of 2020 is lacking in vision when one looks at the growth industry of the last decade it was the renewable energy sector and it has been the Government approach that has made that possible. Australia is about to fall off the value added manufacturing industry ship if MRET is left at the current level or worse, meet an end not unlike the CRC for Renewable energy by having all funding cut. For this reason I would suggest a stronger wording including more longevity to the process beyond 2020.



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Another review could be required in 5 years time to assess the new 10% MRET and its effects.

(j) 1 The renewable energy sector is still playing on a tilted playing field as when wind farms wish to connect to the grid they face substantial costs but if a grid needs upgrading for existing suppliers (of coal fired electricity) then the costs are covered by government.

CONCLUSION

The MRET needs a larger 10% target figure to get a real idea if such a process will benefit Australia. Carbon taxing is another avenue but would require a massive mindset change but the ground work needs to begin as the way Australia is heading in a non ratified Kyoto world we may have left it to late, and be sidelined.