

MRET Review Panel



From left: Peter Laver, Monica Oliphant, Grant Tambling, Neville Stevens

MRET Review Panel

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Mandatory Renewable Energy Target Review

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

The Honourable Grant Tambling—Chair

The Hon. Dr David Kemp MP
Minister for the Environment and Heritage
Parliament House
CANBERRA ACT 2600

Dear Minister

In accordance with s.162 of the *Renewable Energy (Electricity) Act 2000*, I am pleased to forward to you the Report of the Mandatory Renewable Energy Target Review Panel as requested in your commissioning letter of 27 March 2003, and as required for tabling in the Commonwealth Parliament.

My Panel colleagues, Peter Laver, Monica Oliphant, Neville Stevens AO and I have considered carefully and in detail the 264 substantive submissions received from a range of interested parties, and noted the petitions and views expressed in the additional 4800 campaign submissions. We met for comprehensive discussions with 115 representative groups, including all levels of government, industry, environment and conservation organisations, and individuals. Our visits to some 16 communities throughout Australia gave us the opportunity to inspect a number of new and innovative renewable energy projects and proposed sites for further developments.

The standard and quality of the submissions and information presented to the Review Panel during consultations was excellent. Our deliberations were aided considerably with information drawn from staff of various Commonwealth departments and agencies, and the engaged consultants.

On behalf of the Review Panel members, I would commend the sterling efforts and professionalism of dedicated members of our support Secretariat. Their work was particularly onerous given the six-month timeframe of the Review.

The complementary assistance of the Office of the Renewable Energy Regulator, the Australian Greenhouse Office and the Department of Industry, Tourism and Resources is also acknowledged and appreciated.

It has been a sobering, and equally exciting, task to study the scope of the challenges and opportunities facing the development of existing and potential renewable energy sources for Australia. The Review Panel is confident that this report and our recommendations will provide a sound basis for further renewable energy, industry development and environment policy consideration by the Government and the Parliament.

The Review Panel has drawn on a number of reports in its deliberations. I propose that these be made available at the time of tabling the Report.

I have also provided a copy of this Report to the Prime Minister, the Hon. John Howard MP and the Minister for Industry, Tourism and Resources, the Hon. Ian Macfarlane MP.

Yours sincerely

Grant Tambling
29 September 2003

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Review Terms of Reference

The Renewable Energy (Electricity) Act 2000 establishes the Mandatory Renewable Energy Target which requires Australian electricity retailers and other large buyers of electricity to collectively source an additional 9500 gigawatt hours of electricity per annum from renewable sources by 2010.

The Panel is to review the operation of *Renewable Energy (Electricity) Act 2000*, to determine:

- a. the extent to which the Act has:
 - i. contributed to reducing greenhouse gas emissions; and
 - ii. encouraged additional generation of electricity from renewable energy sources; and
- b. the extent to which the policy objectives of this Act have been achieved and the need for any alternative approach; and
- c. the mix of technologies that has resulted from the implementation of the provisions of this Act; and
- d. the level of penalties provided under this Act; and
- e. the need for indexation of the renewable energy shortfall charge to the Consumer Price Index to maintain the real value of the charge and the associated penalty charge; and
- f. other environmental impacts that have resulted from the implementation of the provisions of this Act, including the extent to which non-plantation forestry waste has been utilised; and
- g. the possible introduction of a portfolio approach, a cap on the contribution of any one source and measures to recognise the relative greenhouse intensities of various technologies; and

- h. the level of the overall target and interim targets; and
- i. the appropriateness of the operating environment including the:
 - i. level of participation in and transparency of the Mandatory Renewable Energy Target measure; and
 - ii. scheduled end date of 2020; and
 - iii. baselines for pre-existing generators; and
 - iv. need for future reviews; and
- j. the appropriateness of policy settings including the:
 - i. extent to which this Act has provided an ongoing basis for commercially competitive renewable energy; and
 - ii. relevant economic and social impacts that have resulted from the implementation of the provisions of this Act; and
 - iii. inclusion of renewable energy sources and technologies not specified in the Act or Regulations; and
 - iv. interaction with relevant Commonwealth, State and Territory energy, environment and industry policies.