



Ethnic Communities' Council of NSW Inc.

221 Cope Street Waterloo NSW 2017

Tel: (02)9319 0288 Fax: (02)9319 4229 Email: energy@eccnsw.org.au

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The Expert Panel
Renewable Energy Target Review
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600
Australia

Submission to Review of the Renewable Energy Target (RET)

The Ethnic Communities Council of NSW (ECC) welcomes the opportunity to provide input into the Australian Government's Review of the renewable energy target.

Since its formation 37 years ago the ECC has been the peak body for culturally and linguistically diverse (CALD) community members and representative organisations in NSW. The ECC's main activities are advocacy, education and community development. It is a member of the Federation of Ethnic Communities Councils of Australia (FECCA) and the energy advocacy role represents FECCA in the NEM.

The RET has been a very successful policy to encourage the development of the renewable energy industry in Australia as demonstrated by its outcome of \$18 billion of investment and 24,000 direct jobs. These economic benefits to the economy will be at significant risk if the review outcome undermines the RET. The Terms of Reference and the questions posed in the Call for Submissions suggest that the value of the RET to Australia's economy is in question which seems extravagant especially so soon after the Climate Change Authority's (CCA's) comprehensive review of the RET in 2012.

Other direct benefits have been the reduction in demand for electricity including peak demand¹. This review is to provide advice on whether the objectives of the RET are still appropriate and to recommend a range of options for reducing its impact on the electricity prices. **The paper cited above demonstrates that the wholesale price of electricity has been lowered as a direct result of the merit order effect.** However this lowered price has not been passed onto electricity consumers.

The ECC recommends that:

1. The objectives and outcomes of the RET remain relevant and appropriate and the RET in its present structure has been successful in reducing carbon dioxide emissions as well as reducing the wholesale cost of electricity from large scale generation such as wind energy and for small scale individual households the cost has been reduced by installing rooftop PV systems.

2. The RET implementation should be modified to minimise the disproportional impact of program costs on low income households. There is scope for balancing the

¹ Cludius, J et al Distributional Effects of the Australian Renewable Energy Target (RET) through Wholesale and Retail Electricity Price Impacts, Forthcoming in Energy Policy

disproportional costs for the RET that impacts adversely on low income households. This could be achieved by retrofitting social housing properties by installing small-scale technologies with support from the RET scheme and contributions from the owners of social housing, often the state government.

The ECC NSW has been implementing the **Business Energy Smart Tips** project funded by the Australian government's Energy Efficiency Information Grants program. The ECC has identified that the ethno-specific small businesses targeted use 52 MWh per year and they would therefore on average pay approximately \$112 per year for RET. The energy efficiency project targeting these businesses will save an average of \$1,949 each year.

3. The ECC supports the exemption for businesses with self-generation capacity.

The ECC recommends that businesses with high emission-activities, which are currently exempt from RET, should be supported to install self-generating systems. This will supplement the successful self-generating capacity exemption and lead to long-term cost savings for businesses and the economy.

4. The barriers to the implementation of RET projects needs to be revised, particularly planning regulations, which can impact on renewable energy developments. All the facets (social, health and environmental impacts) of coal generated energy needs to be compared to any health or environmental impacts of renewable generation to achieve a level playing field for all such developments.

5. The ECC believes that expanding the energy sources that are included in the RET is premature. The existing industries at this stage need to consolidate however as new technologies are developed there should be an expert panel created to assess their performance and to advise the government about their inclusion into the RET scheme.

6. The issues that arise from the reintroduction of wood waste derived from native forests as a renewable resource will require intense not only regulation but enforcement to ensure that our native heritage 'does not go up in smoke'. The enforcement component of managing this industry could be expensive for the energy consumers as the costs are passed on.

Sincerely yours,



Mark Franklin
Executive Officer
Ethnic Communities' Council of NSW Inc.