

18 September 2012

Review of the Renewable Energy Target

Submission to the Climate Change Authority by the AYCC

Introduction

Thank you for the opportunity to provide input into the review of the Renewable Energy Target.

As young people, we are the generation who will be most affected by the climate policies put into place today. We have an interest in ensuring the Government adopts science-based policy to ensure we have a safe climate for our future.

Renewable energy is booming!

Internationally, we are experiencing a boom in clean energy. In 2011, a record \$260 billion was invested in clean energy worldwide. In 2011, total clean energy investments outstripped global fossil fuel investment for the first time.

In the last decade, while international coal and gas prices have risen by 500% and 300% respectively,¹ the price of renewable technologies has plummeted. For example, the price of solar energy has decreased 75% in the last four years alone.²

We need 100% clean energy

As young people, we support a rapid transition to 100% renewable energy in Australia as soon as physically possible. Many studies, by UNSW and Beyond Zero Emissions at the University of Melbourne Energy Institute, show that getting to 100% in 10 years is very possible. This is what we should be aiming for.

How do we get to 100% renewable energy?

The carbon price is supposed to drive renewable energy – but will take a while to ramp up. Therefore, we need to rely heavily on policies such as ARENA, CEFC and the RET. We need to ensure that these policies are strong and ambitious.

We find it reprehensible that certain business lobby groups and big polluters are campaigning to reduce the RET (given less than expected energy demand). We should aim for the highest percentage of renewable energy possible.

While the RET will drive significant investment in commercialised renewable energy technologies (predominantly wind) in the next decade, the transition to a clean energy economy is perversely threatened by the overlap between industry support policies. More specifically, the capacity for the newly legislated \$10 billion CEFC to unlock a clean energy investment boom in Australia – driving significantly increased installed capacity and a diversification of the technology mix – is hampered by the RET's legislated target.

Many other countries have RETs much larger than Australia – according to the recent REN21 global renewables report. We need to catch up and not be left behind in the clean energy race.

AYCC's Recommendations:

¹ BP Statistical Review of World Energy, June 2012. www.bp.com/statisticalreview.

² <http://www.bloomberg.com/news/2012-05-16/solar-power-prices-more-competitive-than-thought-bnef.html>.

1. The Government should aim to get Australia to 100% renewable energy as quickly as possible. Studies show that it is possible within 10 years, and this should be our aim.
2. To provide investment certainty over the investment timelines of these projects the targets legislated in the Renewable Energy (Electricity) Act 2000 must be maintained or increased as firm GWh targets and not changed to a floating percentage target.
3. To ensure separate policy mechanisms work together to provide the optimum long term outcome, without distortions to the existing RET market, CEFC projects must be made additional to the 20% target (in GWh terms) by increasing the RET to *at least* 50% by 2030, or including a replacement REC scheme.
4. Remove waste coalmine gas from the RET, as the original rationale for its inclusion has been superseded by the introduction of the carbon price.

(Thank you to the ACF for helping us to develop some of these recommendations.)

What our members want

- 26,000 people signed our CEFC petition in early 2012, which asked for the CEFC to be additional to the RET to ensure it invests in new renewable energy
- Over 30,000 people have voted so far in our Youth Decide campaign (www.youthdecide.aycc.org.au), with 700 voting events held in schools, unis and workplaces across Australia during one week. Overwhelmingly people are voting for a renewable energy target greater than 20%, with most voting for 100% renewables by 2020. We would be delighted to send you the results of this vote after 30th September, when voting closes.

For more detail about the above recommendations, we defer to the submission put forward by the Australian Conservation Foundation.

Thank you.

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