



NORTHERN  
ALLIANCE FOR  
GREENHOUSE  
ACTION

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## Renewable Energy Target Review

Thank you for the opportunity to make a submission to the consultation on the **Renewable Energy Target (RET) Review**.

**The Northern Alliance for Greenhouse Action (NAGA) supports the retention of the RET in its current form; that is that a minimum fixed amount of 41,000 GWh of energy should be generated by renewables by 2020.**

The RET has helped provide certainty for the development and commercialisation of renewable technologies to the point where they are becoming a mainstream form of energy production, particularly for households.

The recent rapid uptake of technologies such as rooftop solar has been helped by the presence of companies which have been assisted by the RET to develop their capacity and skills to the extent that they were able to meet new demand. More than two million households have installed solar PV, solar hot water and heat pumps, helping to insure consumers against rising energy prices. In addition, contrary to popular imagination, the strongest uptake of rooftop solar has been in new growth, low income suburbs on the urban fringe and in regional centres. Removing the RET will only increase the price of renewable technologies for these consumers, increasing their vulnerability to power price increases.

The recent rise in electricity prices has primarily been driven by overinvestment in infrastructure by utilities, with Federal Treasury estimating that this investment is responsible for 51 per cent of power bills. While the RET has contributed marginally to electricity prices, it has also contributed to some price reductions by placing downward pressure on wholesale electricity prices by providing competition from electricity sources with lower generating costs. Abolishing or reducing the scale of the RET will not substantially decrease power bills for consumers, nor will it ease the pressure on utilities to adapt to a changed energy market.

Indeed, according to the Clean Energy Council, removing the RET will add up to \$50 per year to household energy bills by 2020 and up to \$140 per year, as houses are more exposed to rising gas prices. By contrast, continuing the current RET rate will not only ease pressure on household bills but also reduce Australia's greenhouse gas emissions by 34.7 million tonnes of CO<sub>2</sub>, than if the target was repealed.

While the rooftop solar market has been a strong success in Australia, the RET is still required to maintain the growth of rooftop solar and support the rapid expansion of commercial and large-scale solar. In addition, the RET is estimated to generate approximately \$14.5 billion of investment in the Australian economy and the creation of more than 18,000 jobs (Australian Solar Council).

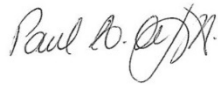
The RET was recently reviewed by the Federal Government in 2012 and is referred to in the Federal Government's Emissions Reduction Fund White Paper as supporting the deployment of technology that reduces emissions. Australians have demonstrated their support for retaining the RET (77 per cent support in Crosby Textor poll 2013) as a way to help the country achieve a lower emissions future based on a vibrant renewable energy sector.

### MEMBER ORGANISATIONS

BANYULE CITY COUNCIL, DAREBIN CITY COUNCIL, HUME CITY COUNCIL, MANNINGHAM CITY COUNCIL, CITY OF MELBOURNE, MORELAND CITY COUNCIL, MORELAND ENERGY FOUNDATION LIMITED, NILLUMBIK SHIRE COUNCIL, CITY OF WHITTLESEA, CITY OF YARRA

Please contact me if you would like to discuss any of the issues raised in this submission in more detail.

Yours sincerely



Paul Murfitt

Chair, Northern Alliance for Greenhouse Action

***The views represented in this submission do not necessarily represent the views of all NAGA members individually.***

### ***About Northern Alliance for Greenhouse Action***

The Northern Alliance for Greenhouse Action (NAGA) is an alliance of Moreland Energy Foundation and the nine councils spanning the northern metropolitan region of Melbourne from the CBD to the rural/urban fringe (see footer). The Alliance covers a quarter of Melbourne's population; the region spans major industrial, commercial, and residential areas, activities and types, as well as forests, agriculture, and water catchments on the urban fringe. NAGA shares information, coordinates emission reduction and adaptation activities, and cooperates on the research and development of innovative projects. NAGA and its members have demonstrated significant climate change action innovation at the local government and regional level. NAGA is actively involved in implementing regional scale climate change projects and developing approaches to governance, project management and business cases to support this work.

Action on climate change is urgent; it requires substantial effort to transform our economy and our society to a low carbon future by delivering science-based greenhouse pollution cuts in the short-, medium- and long-term. NAGA is working to ensure urgent, regional action in our transition to a climate-changed, low-carbon future.