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**Submission to the Senate Committee Inquiry into Renewable Energy (Electricity)
Amendment Bill 2010**

REpower Australia strongly supports this legislation and believes it will achieve the dual aims of encouraging both large and small scale renewable energy installations. The current market is distorted by rebates available for small scale generation from other sources and the upfront payment of the deemed certificates. This has led to the situation where more expensive small scale generation is dominating the REC market. If this situation continues large scale generation will not be installed until the years of high targets. This will not allow the industry time to build capacity in Australia leading to difficulties in delivery of the large projects required and higher costs. In addition the market will be less competitive as only a few market participants will stay in Australia which might lead to higher prices and lower quality of the works.

We do have concerns about the number of banked RECs that will be available in the planned LRET market. However, our main concern is that this legislation will be delayed and the industry will face further uncertainty.

Jan Gasche
Managing Director