

Renewable Energy Generators Australia Ltd

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Dr Anna Dacre
Committee Secretary
Standing Committee on Science and Innovation
House of Representatives
PO Box 6021
Parliament House
CANBERRA ACT 2600

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Dear Dr Dacre,

Renewable Energy Generators of Australia Ltd (REGA) welcomes the opportunity to provide input into this Inquiry into Geosequestration Technology.

REGA is the peak industry association for the Australian renewable energy industry. REGA's members include generators, equipment suppliers, project developers and industry experts and our members are responsible for around 95% of the electricity generated from renewable sources in Australia each year.

REGA's vision is to bring renewable energy into the everyday life of all Australians. REGA does this by constructively working with stakeholders to accelerate the growth of a vibrant and profitable renewable energy industry that makes a significant contribution to Australia's economic, social and environmental well being.

Australia faces a considerable challenge in reducing its greenhouse gas emissions, particularly from its stationary energy generation sector. REGA supports the deployment of all low emission technologies that can contribute to achieving these necessary deep cuts in emissions and ensure that the dramatic consequences of global climate change predicted by climate change scientists around the world are minimised.

REGA believes that renewable energy technologies will be a cost effective part of the long term solution to reducing greenhouse gas emissions. The renewable energy industry is already making a significant contribution to the national economy as revealed by recent research commissioned by REGA from McLennan Magasanik Associates (MMA). The research found that:

- *Australia has excellent renewable resources and an innovative renewable energy industry that currently produces around 8% of the national electricity supply. The renewable energy industry is diverse and makes a significant contribution to the national economy.*
- *In producing electricity from a range of renewable resources, it provides around 15,000 direct and indirect jobs across Australia, has annual sales of nearly \$2 billion and has an estimated \$8 billion invested in assets that generate electricity. It is estimated that investment in renewable energy for the past five years has been*

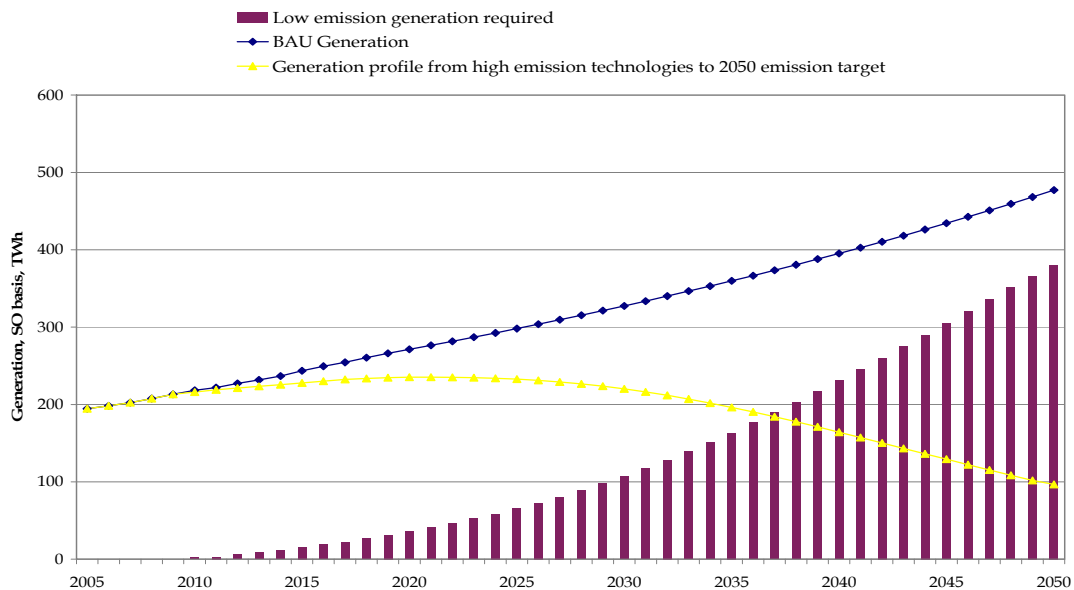
approximately \$257 million per annum, with approximately \$369 million per annum to be invested over the next three years.

- The industry also makes a significant contribution to the important goals of diversity and security of energy supply. It does this without producing greenhouse gas emissions or degrading land and it does not compromise other environmental values such as air and water quality.

The full report is available from the REGA website¹.

The MMA Report has identified the level of clean energy that will be need to be deployed into the national market to meet future energy demand and emissions reduction challenges out to 2050 which is illustrated in the following graph.

Clean Energy Generation Required to meet Emissions Reduction Task by 2050



The Australian renewable energy industry has a mature and well established foundation within the national electricity supply sector. Policies and mechanisms for expanding and developing this industry are well understood and proven both domestically and internationally and REGA believes that renewable energy will form an important part of the clean energy solution required to meet Australia's emissions reduction challenge.

From an approvals perspective, REGA believes that any new energy generation and associated infrastructure technologies, whatever the energy source, should be subject to equally stringent environmental assessment and development approval processes and that the same standards of community acceptance should be applied across all energy project proposals.

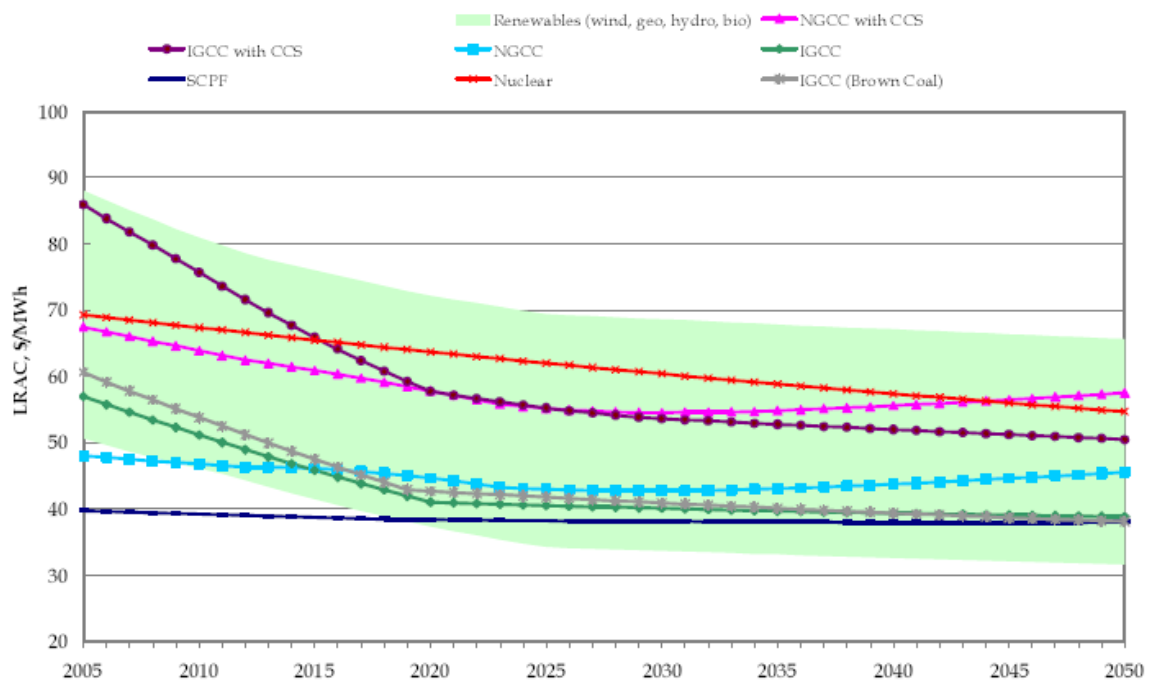
REGA also believes that Government energy and climate change policy developments must include consideration of the assessment of the full life-cycle costs of every energy generation source. The lifecycle costs of each generation source differ depending on a range of factors. However, all low emission technologies are currently disadvantaged by electricity pricing regimes that ignore the negative economic, social and environmental externalities produced by fossil fuel generation.

¹ <http://www.rega.com.au/Documents/Publications/J1281%20Final%20Report%20V3.pdf>

If Australia is to overcome the emission abatement challenge that lies ahead and deploy low emission technologies including geosequestration, an appropriate financial or market mechanism is needed. The renewable energy industry supports the evolution of a low emissions technology initiative that will facilitate technology development and deployment in Australia.

Strong Government support in the form of market mechanisms, as well as technology learning curves, has already driven down the costs of deploying renewable energy technologies both in Australia and overseas. As the scale of renewable energy developments continues to grow along with further technology development and learning, future costs for renewable energy technologies will continue to decrease. The following graph was developed for REGA by MMA using global energy cost databases to illustrate the comparative decreasing costs of generation from zero and low emission technologies.

Figure 3-7 - Total renewables cost envelope versus coal, gas and nuclear cost



The renewable energy industry supports the examination of all energy sources that can meet future energy policy and climate change policy goals and in fact believes that an effective examination of the lowest cost and least risk solutions can not take place in isolation from the consideration of all options. The deployment of renewable energy technologies is accelerating around the world as governments and the international renewable energy industry address the global challenge of increasing energy supply while simultaneously reducing emissions.

Australia's renewable energy industry has proven its capability to develop world leading technologies and practices across the range of energy sources within the sector. Renewable energy is produced without generating waste products that are released into the atmosphere or that must be dealt with by disposal to land. REGA believes that any examination of the capability of energy technologies to meet future energy and climate change goals will be optimised only if full consideration is given to each of the options.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Peter Rae". The signature is fluid and cursive, with a large initial "P" and a distinct "Rae" at the end.

Hon Peter Rae AO
Chairman