



The only suggestion we would make is in regards to this last point. For Energy Intensive Trade Exposed companies receiving 66% or 94% “free” carbon permits, a requirement that the balance of their obligation be met by domestic permits would not appear to be an onerous one. As the legislation is written, a company receiving 66% of their permits for free, could obtain the entire balance of their required permits from overseas sources as the balance of 34% is less than the overseas permit cap of 50%.

While implementing a price on carbon is a key measure to efficiently and effectively reduce greenhouse gas emissions, it is not the only one. The original Mandatory Renewable Energy Target, and now the Large-scale Renewable Energy Target (LRET), is an additional market based mechanism that has demonstrated significant, and cost effective, reductions in greenhouse gas emissions. Wind energy in South Australia has grown rapidly in the past few years and has now achieved a 20% market share. This rise in clean, renewable energy has delivered a significant reduction in greenhouse gas emissions from electricity generation in SA – a 15% reduction from 2007 levels.¹

It is worth noting that these significant reductions in greenhouse gas emissions have come at a very reasonable cost under LRET. For example, IPART’s recent assessment of the 2011 NSW household electricity price increase attributable to the LRET scheme was only 36 cents per week.²

With regards to the economic impact of renewable energy, we would like to point out the very positive economic effect wind energy development has demonstrated in regional areas. Construction and operation of a wind farm delivers important economic benefits to regional economies, by:

- Providing direct employment opportunities, particularly during the construction period.
- Providing service business opportunities for local construction contractors - quarry owners, transport operators, civil and electrical contractors, to name a few.
- Wider business opportunities for maintenance service contractors, hospitality and other industries that provide services during the operations phase

During the construction of Infigen Energy’s 141MW Capital Wind Farm, over 100 people were directly employed on site. In addition, local hospitality businesses in the Bungendore area experienced substantial increases in their trade, and continue to do so today. A recent article in the Yass Tribune

¹ <http://www.theclimategroup.org/assets/files/Greenhouse-Indicator-Generation-Report-2009.pdf> page 22

² <http://www.ipart.nsw.gov.au/files/Media%20Presentation%20-%20Regulated%20Retail%20Electricity%20Prices%20from%201%20July%202011%20-%20Draft%20Report%20-%20April%202011%20-%20Website%20version.PDF> page 7



(*Wind's \$10Million Local Injection*, July 29, 2011³) documented an analysis by the Industry Capability Network and Suzlon highlighting at least \$10 Million of spending just in the local region during construction of our Capital Wind Farm.

Another study of the economic impact wind farm development can have on a local regional community was conducted by Sinclair Knight Merz (SKM) entitled, *The Economic Impact Assessment of the Hallett Wind Farms*. The report for the Hallett wind farms owner found the first three stages of the Hallett wind farm in South Australia had:

- Resulted in \$88 Million of additional expenditure within the Hallett region
- Provided 450 FTE construction job years averaging about 100 direct employees during the different stages of the Hallett wind farm's construction
- Added 3.3% to the Mid-North SA Gross Regional Product in 2010
- Resulted in 2000 indirect job-years being created nationwide

While it is recognised that the ARENA and CEFC legislation are not included in this initial legislative package, and therefore not technically part of this inquiry, Infigen Energy also congratulates the Government on these two initiatives to progress emerging renewable energy technologies.

In conclusion, Infigen Energy fully supports the Government's Clean Energy Future legislation and congratulates the Government for progressing this critical initiative for Australia's future.

If you have any questions with regards to this submission, please feel free to contact me using the details below.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Miles George", with a long, sweeping horizontal stroke extending to the right.

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³ <http://www.yasstribune.com.au/news/local/news/general/winds-10-million-local-injection/2241347.aspx>