

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Answers to questions on notice
Environment and Energy portfolio

Question No: 228
Hearing: Budget Estimates
Outcome: Agency
Programme: Clean Energy Regulator (CER)
Topic: Estimated Renewable Generation
Hansard Page: -
Question Date: 07 June 2017
Question Type: Written

Senator BACK asked:

Referring to QON 279, in which I estimated that the level of generation for 2017 will be 18,800 GWh and Mr Williamson estimated that the level of generation would be 20,000 GWh;

1. Which facility are you expecting the increase in hydro generation from?
2. How has this increase in generation been achieved?
3. Now that we are five months into the year, is there an updated estimate of expected generation for this year?

Answer:

Snowy Hydro has had a material increase in generation in 2016 and a modest increase is expected from Hydro Tasmania. Snowy Hydro created over 1.9 million Large-scale Generation Certificates (LGCs) for the 2016 generation year; over 1.8 million more than for 2015. This increase was the result of higher water inflows to Snowy Hydro's water catchment areas. Hydro Tasmania has yet to create LGCs for the 2016 generation year, however the Clean Energy Regulator expects a moderate increase for the 2016 generation year, compared to 2015.

1. It is not possible to attribute the increase to a specific facility. It is important to analyse trends in yearly generation for hydro power stations as the creation of LGCs relates to both individual and group baselines. Hydro power stations have both an individual power station baseline and a group baseline if the water supply is interconnected to other hydro power stations. The renewable electricity generation by hydro power stations must exceed both the individual and group baselines during the year for a hydro power station to be eligible to create LGCs.
2. The number of LGCs created for hydro generation can vary materially between high and low water inflow years. This may result in the expected number of LGCs varying from approximately 0.5 million to 3.5 million in any given year. Typically, hydro power stations create their LGCs in the year after the generation has occurred as they must firstly reach their baselines.

3. The Clean Energy Regulator still believes that the estimate of approximately 20 million LGCs being created in 2017, representing 20,000 gigawatt hours (GWh) of eligible renewable electricity generation, is reasonable. There are a number of variables that may still impact renewable energy generation and the resulting creation of LGCs in 2017 (refer to Question on Notice number SQ17-000585), including the:
 - ability of power stations to report their generation and create LGCs up to 12 months after the calendar year in which the generation occurred;
 - timing of first generation from new projects under construction; and
 - generation from other power stations (with a baseline) that have not yet reported.