

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

Question No: 92
Hearing: Additional Estimates
Outcome: Agency
Programme: Clean Energy Regulator
Topic: Coal use and wind energy
Hansard Page: N/A
Question Date: 04 March 2014
Question Type: Written

Senator Back asked:

Investigations have shown that coal use by Victorian coal-fired power plants have increased in the order of 2 million tonnes annually despite the fact that there has been no commensurate increase in power generation output from those plants. This massive increase in coal use is a consequence of the fact that coal-fired generators are required by the grid manager to maintain large amounts of spinning reserve to accommodate for the intermittency of wind power and fluctuations in wind power output on a minute-by-minute basis.

I refer the CER to the peer-reviewed paper authored by Mr Paul Miskelly that demonstrates that wind farms connected to the Eastern Grid fail to produce any meaningful power output hundreds of times each year. "Wind Farms in Eastern Australia – Recent Lessons". The conclusions of this paper refer to the requirements of wind power to have massive amounts of spinning reserve made available to maintain grid stability.

Section 3 of the Renewable Energy (Electricity) Act 2000, provides for the objects of the Act.

- (a) to encourage the additional generation of electricity from renewable sources; and
- (b) to reduce emissions of greenhouse gases in the electricity sector; and
- (c) to ensure that renewable energy sources are ecologically sustainable.

1. Does the CER agree that its role is to ensure that the objects of the Act are satisfied?

This is done through the issuing of certificates for the generation of electricity using eligible renewable energy sources and requiring certain purchasers (liable entities) to surrender a specified number of certificates for the electricity that they acquire during a year. If this is correct then wind power fails to meet the objects of the act.

2. What peer-reviewed evidence - based on actual data - including the coal feed data from Victorian power plants – does the CER have to refute these statements about coal use and the intermittency of wind power?

3. Would it not be appropriate for the CER to commission an independent study to find out if this is correct? For the CER to know whether the objects of the Act are being satisfied it would need to have that information.

4. That is, would it not be appropriate for the CER to be satisfied - on actual evidence - that the hundreds of millions of dollars worth of LGCs it issues on an annual basis to wind farm operators results in a reduction of CO₂ emissions in the electrical sector as a matter of fact? Without this kind of investigation it would be impossible for the CER to know whether wind farms are reducing or increasing CO₂ emissions in the electricity sector.

5. When will the CER commission an independent study into the increased CO₂ emissions caused by the fluctuations in power output from Australian wind farms?

Answer:

1. The Clean Energy Regulator is required to administer the *Renewable Energy (Electricity) Act 2000* (the REE Act).
2. This is not a matter on which the Clean Energy Regulator can comment. The Australian Energy Market Regulator (AEMO) would be better equipped to respond to such an enquiry.
3. No, this is not required for the Clean Energy Regulator to administer the REE Act.
4. No, this is not required under the REE Act to validate the creation of Large-scale Generation Certificates. The Clean Energy Regulator is not required to conduct studies into the impact of the legislation it administers.
5. The Clean Energy Regulator is not planning to conduct such studies into these allegations.