

TABLED DOCUMENT

SENATE ECONOMICS LEGISLATION COMMITTEE
INQUIRY INTO THE RENEWABLE ENERGY (ELECTRICITY) AMENDMENT BILL 2009
BY: SENATOR RON BOSWELL
TIME/DATE: 3PM, 5 AUGUST 2009

2:15pm - 3:00pm	Australian Industry Greenhouse Network (Sub. 59) Mr Michael Hitchens, Chief Executive Officer Ms Emma Watts, Senior Policy Adviser
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What estimates have you got from your members on the costs they will face as a result of the RET?

If you are trying to work out what the RET will cost your company it would be fairly simple wouldn't it... but for some reason no one seems to be able to provide an answer except for the very big companies who have lots of advisers and are members of associations like yours.

Can you just give me some technical advice here and tell me if I'm going down the right path in calculating costs.

- In 2010 the renewable energy target is 12,500 gigawatt hours.
- Total electricity demand in 2010 is estimated by the Government to be 256,300 gigawatt hours.
- This gives a 'Renewable Power Percentage', as it is termed, of about 5%, or 4.88% to be precise.
- So in 2010, under this bill, businesses and households will be paying a premium on about 5% of the electricity they consume and the premium will be equal to the price of RECs.
- The Government commissioned modelling done by MMA estimates that the price of RECs in 2010 will be \$65.80.
- Therefore, in 2010 households and businesses will be paying an extra \$65.80 on about 5 per cent of their electricity.
- I have a few examples, but one in particular is a small fish processing business in Qld consuming about 1500 mega watt hours of electricity per year.
- In 2010 their RET bill comes to \$4,814. That is calculated by multiplying the RECs price of \$65.80 by the "Renewable Power Percentage" of 4.88% by 1,500 mega watt hours.
- In 2020 the RECs price is estimated to be \$41.70 and the "Renewable Power Percentage" is 16.2%. If you multiply these by

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