I would like to make the following points and recommendations to the Senate Economics Committee:-

- That the passage and successful implementation of the Renewable Energy (Electricity) Amendment Acts will help reduce Australia's dependence on (presently cheap) fossil-fuels

- A transition from a 2% target to a 20% target will not be as simple as amending a figure in legislation. With a 2% target, renewable generation has generally be able to generate whatever it could, whenever it was able and the system was able to handle these fluctuations as “negative load”.

- That a larger, whole of system approach will probably be required to achieve 20% renewable energy generation and costs of renewable generation will change over time and as network makeup changes.

- That scaleable generators have a decisive advantage over non-scaleable generators. A bank looking to finance a 100MW wind farm is more likely to proceed as Renewable Energy Credits can be created and sold as soon as the first wind turbine is operational. It will be seen as less riskier than an equivalent output geothermal facility which will not generate any income until possibly years later.

- To offset the scaleable generator advantage, additional measures may be required.

- Treasury's modelling may be insufficient :-
  - if they model the system on an hourly basis, without visibility of the systems operation within each hour
  - Use weather data which may misrepresent the actual weather experienced at a given site
  - Fail to plan for a system where renewables contribute a very small percentage of generation and dispatchable generation is required to meet demands.

- To allow an objective testing of various future emissions scenarios an open source computer model should be created to allow maximum transparency.

- That the Senate hold an inquiry in the near term to examine how the legislation targets will be met, at what likely costs, and whether there are any activities the Federal Parliament can undertake to improve Australia's and the Worlds renewable energy uptake.