

AUSTRALIAN GOVERNMENT RENEWABLE ENERGY POLICIES AND PROGRAMS FACT SHEET

As a key part of its strategy for reducing Australia's greenhouse gas emissions, the Australian Government has provided significant support for renewable energy through measures under the Prime Minister's 1997 *Safeguarding the Future* statement, the 1999 *Measures for a Better Environment* statement, the 2004 Energy White Paper, *Securing Australia's Energy Future*, the *Australia's Climate Change Policy - our economy, our environment, our future* statement (2007), and recent budget measures. These measures are described below.

The Clean Energy Target

On 23 September 2007, the Prime Minister announced the introduction of a national **Clean Energy Target**. The Clean Energy Target will require that an additional 30,000 gigawatt hours of electricity will come from low emission sources by 2020. Low emissions sources are those technologies that emit less than 200 kilograms of greenhouse gases per megawatt hour of electricity generated. This includes renewable energy, such as solar and wind, as well as fossil fuel fired electricity generation where carbon capture and storage is used. Further information is available at www.greenhouse.gov.au.

The Mandatory Renewable Energy Target

Introduced in 2001, the **Mandatory Renewable Energy Target (MRET)** is backed by the *Renewable Energy (Electricity) Act 2000* legislation. The MRET scheme aims to increase renewable energy electricity generation and is a key element underpinning the strategic development of the renewable energy industry in Australia. The measure requires the generation of 9,500 gigawatt hours of additional renewable electricity by 2010, over and above existing renewable energy generation, and maintains this target until 2020. The measure is expected to stimulate \$3.5 billion of investment in renewable energy over the life of the scheme. Further information is available at www.greenhouse.gov.au/markets/mret and www.orer.gov.au.

Emissions Trading

On 3 June 2007, the Prime Minister announced that Australia would introduce a **greenhouse gas emissions cap and trade system** by 2012. The introduction of a credible and rising price on carbon emissions will provide further incentive to use low emission energy sources such as renewable energy. Further information is available at www.dpmc.gov.au/climate_change

Support for Solar Energy on Residential and Community Buildings

On 8 May 2007, the Minister for the Environment and Water Resources announced additional funding of \$150 million for the **Photovoltaic Rebate Program**, which provides cash rebates to householders and community groups who install photovoltaic systems. The rebate is \$8 per Watt, up to a maximum of \$8,000. Schools and community groups will be able to apply for a grant of up to 50 per cent of the cost of a solar power system, with an upper limit of 2 kilowatts. The initiative is funded for five years and will conclude in June 2012. The additional funding builds on the Government's previous commitment of \$51.8 million to the *Photovoltaic Rebate Program*. Information on this program is available at www.greenhouse.gov.au/renewable/pv.

On 17 July 2007, the Prime Minister announced the provision of rebates of \$1000 to install **solar and heat pump water systems** in existing eligible homes. The programme will cost \$252.2 million over five years, and make rebates available to 225,000 households. Information on this program is available at www.greenhouse.gov.au/rebates.

The Prime Minister also announced the **Green Vouchers for Schools Programme** which will provide up to \$50,000 for every school to install solar hot water systems and a rainwater tank to improve energy and water efficiency. This programme will cost \$336.1 million over four years. Information is available at www.environment.gov.au/greenvouchers.

Support for Renewable Energy in Remote Areas

On 14 August 2006, the Prime Minister announced a further \$123 million over four years for the **Renewable Remote Power Generation Program**, which provides rebates to install renewable energy technologies in remote areas to reduce the use of diesel fuel for electricity generation. The additional funding builds on the Government's previous commitment of \$205 million to the *Renewable Remote Power Generation Program*. Information on this program is available at www.greenhouse.gov.au/renewable/rrpgp.

Geothermal Industry Development Framework

The Australian Government is funding the preparation of a **Geothermal Industry Development Framework**, in partnership with the industry and other relevant stakeholders. The Government hosted a geothermal industry roundtable at Parliament House in Canberra on 27 March 2007, which included a workshop exploring the range of issues that the Development Framework should address. Since 2000, geothermal energy projects have been allocated Australian Government grants valued at over \$32 million from various programs.

Energy White Paper Measures

In the 2004 **Energy White Paper, *Securing Australia's Energy Future*** (<http://www.energywhitepaper.gov.au/>), the Australian Government allocated \$700 million for new initiatives to support low emission and renewable energy technologies, including:

- A \$500 million ***Low Emissions Technology Demonstration Fund***, which will leverage at least \$1 billion in private sector investment in new technologies to demonstrate low emission technologies, including renewable energy, with significant long-term abatement potential. Information is available at www.greenhouse.gov.au/demonstrationfund;
- A \$100 million ***Renewable Energy Development Initiative*** to support the development of renewable energy technologies with strong commercial potential. Information is available at www.ausindustry.gov.au;
- A \$75 million ***Solar Cities*** trial, which will demonstrate the economic benefits of photovoltaics combined with other measures in reducing energy demand during peak periods. Information on this program is available at www.greenhouse.gov.au/solarcities;
- A \$20.4 million ***Advanced Electricity Storage Technologies*** initiative to support energy storage for intermittent renewable technologies, such as wind and solar. Information is available at <http://www.greenhouse.gov.au/renewable/aest/index.html>;
- Up to \$14 million to develop an ***Advanced Wind Forecasting Capability***; and
- An ***Improving Grid Accessibility*** initiative, whereby the Australian Government will work with the States and Territories to identify, and respond to specific rule changes required in the National Electricity Market to maximise the benefits of distributed generation. Information on this initiative is available at www.mce.gov.au.

Other Renewable Energy Programs

Since 1997, the Government has allocated over \$300 million to renewable energy programs, including:

- A \$26.9 million ***Low Emissions Technology and Abatement*** program to encourage investment in the development, demonstration and deployment of smaller-scale low emission technologies, and other cost-effective abatement activities. Information is available at www.greenhouse.gov.au/leta;
- A \$26.6 million ***Renewable Energy Equity Fund*** to provide support to smaller companies undertaking innovative Australian renewable energy technology projects. Information is available at www.ausindustry.gov.au;
- A \$55.6 million ***Renewable Energy Commercialisation Program*** to assist the commercialisation of innovative renewable energy technologies and support industry development projects. Information is available at www.greenhouse.gov.au/renewable/recp; and,
- In 2000, the renewable energy industry and the Australian Government developed the ***Renewable Energy Action Agenda (REAA)***, which outlined a strategic vision and plan of action for the growing renewable energy industry, aiming to achieve annual sales of \$4 billion by the year 2010. Information on the REAA is available at www.industry.gov.au/reaa.

International Measures

The Australian Government participates in a number of international fora to promote renewable energy. These include:

- The **Asia Pacific Partnership for Clean Development and Climate (APP)**, which has established a Renewable Energy and Distributed Generation Task Force. The Australian Government initially announced a commitment of \$100 million over five years to the APP, with at least 25 percent allocated specifically for renewable technology projects. A further \$50 million for APP was announced in September 2007. Further information is available at www.ap6.gov.au/;
- The **Renewable Energy and Energy Efficiency Partnership (REEEP)**. www.reeep.org;
- The **International Energy Agency Implementing Agreements**, www.iea.org/Textbase/techno;
- The **Asia-Pacific Economic Cooperation** Energy Working Group projects, www.apec.org; and
- **Bilateral climate change partnerships** currently in place with China, the European Union, Japan, New Zealand, the United States, and South Africa. Further information go to www.greenhouse.gov.au/international/partnerships.