



Australian Government

JOINT MEDIA RELEASE

Senator the Hon Penny Wong
Minister for Climate Change

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ENHANCED RENEWABLE ENERGY TARGET SCHEME

The Rudd Government's Renewable Energy Target scheme will be enhanced to provide greater certainty for households, employees and businesses within the renewable energy industry, as we build the low pollution economy of the future.

From 1 January 2011 the Renewable Energy Target, which guarantees 20 per cent of Australia's energy in 2020 will come from renewable sources, will include two parts - the Small-scale Renewable Energy Scheme (SRES) and the Large-scale Renewable Energy Target (LRET).

The LRET, covering large-scale renewable energy projects like wind farms, commercial solar and geothermal, will deliver the vast majority of the 2020 target. This will free these projects from uncertainties that may have been caused by strong demand for small-scale renewable technologies.

The SRES will cover small-scale technologies such as solar panels and solar hot water systems and deliver the remainder of the target. It will provide a fixed price of \$40 per megawatt hour of electricity produced, providing direct support for households that take action to reduce emissions.

Under this fixed price, a Sydney household that installs a 1.5 kilowatt solar panel system in 2011 will benefit from an upfront subsidy of \$6200. If the same household decides to install a typical solar water heater they will receive \$1200 in support under the SRES.

These changes are expected to deliver more renewable energy than the original 20 per cent target and will ensure we build the clean energy future Australia needs.

Importantly, the Government's revamped RET will support new jobs and investment in both large and small-scale renewable energy projects.

While these changes address some uncertainty in the current market, uncertainty around the Carbon Pollution Reduction Scheme is also harming market sentiment. This illustrates why it's critical to have a market-based, long-term response to reducing emissions to drive investment in the renewable industry.

The Government will shortly release an industry consultation paper and intends to legislate the changes in the Winter Sittings of Parliament.

The Government will continue to work with the states and territories on other issues being considered by the Council of Australian Governments' Review of Specific RET Issues.

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