

Agreement in Principle

Mr PHILIP KOPERBERG (Blue Mountains—Minister for Climate Change, Environment and Water) [7.33 p.m.]: I move:

That this bill be now agreed to in principle.

The Renewable Energy (New South Wales) Bill establishes mandatory renewable energy targets for electricity consumed in New South Wales. As honourable members would be aware, the Government has committed to reducing New South Wales greenhouse gas emissions to 2000 levels by 2025 and by 60 per cent by 2050. Increased consumption of renewable energy has the capacity to make a significant contribution to reducing greenhouse gas emissions. It is now widely accepted that deep cuts to greenhouse gas emissions are required to address climate change. New South Wales is leading the nation in responding to climate change. It was New South Wales that introduced the voluntary GreenPower program—now a national program. New South Wales also implemented one of the first, and highly effective, mandatory carbon abatement schemes—the Greenhouse Gas Reduction Scheme. New South Wales has also led the national debate on the introduction of a National Emissions Trading Scheme and the recently announced Climate Change Fund, worth more than \$300 million.

The Government is already working towards legislating greenhouse targets and recognises that a range of policy initiatives must be pursued if these targets are to be met. Policies already implemented include the Greenhouse Gas Reduction Scheme, the Building Sustainability Index, Energy Savings Action Plans and Energy Savings Funds, GreenPower and a new Climate Change Fund. In 2006 GreenPower purchases in New South Wales were about 290 gigawatt hours from around 130,000 customers. Nationally there are more than 500,000 GreenPower customers. At present, the Greenhouse Gas Reduction Scheme supports natural gas-powered generation, generation from waste methane, efficiency gains from existing generators and end-use energy efficiency and fuel switching. Those technologies will help the Government meet its greenhouse targets in the medium term.

In the longer term, renewable energy will make a significant contribution to greenhouse gas reductions. The bill assists the development of a robust renewable energy industry that has the ability to fulfil that role. This bill will require that 10 per cent of electricity consumed in New South Wales by 2010 and 15 per cent by 2020 will have to be supplied by renewable energy, with the 15 per cent level maintained to 2030. This means that by 2020, the New South Wales mandatory renewable energy target will stimulate an additional 7,250 gigawatt hours of new renewable energy, driving up to \$3.5 billion of investment in the renewable industry across the national electricity market.

Over the life of the scheme, renewable energy generation is expected to total 121,000 gigawatt hours, which will result in greenhouse gas emission savings of about 115 million tonnes. The New South Wales mandatory renewable energy target aims to increase the percentage of electricity consumed in New South Wales from renewable energy sources. It establishes a market-based scheme that is closely aligned to the Victorian mandatory renewable energy target scheme. The bill is accompanied by a Supporting Information Paper, which provides further detail and explanation of the bill. The New South Wales Government invites comments on the bill and the Supporting Information Paper. The closing date for submissions is Friday 27 July 2007. The Supporting Information Paper is available on the Department of Water and Energy's website at www.dwe.nsw.gov.au. I encourage everyone with an interest in renewable energy to take the opportunity to review the detailed information provided about the bill in the Supporting Information Paper.