

Submission  
No 870

**INQUIRY INTO PROPOSED ENERGY FROM WASTE  
FACILITIES**

**Name:** Name suppressed

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Partially  
Confidential

To: Select Committee on Proposed Energy from Waste Facilities

For this submission, I will focus on revenue streams and the risk surrounding such streams for a WtoE facility in Australia:

- Electricity sales

The existing energy market does not favour 24/7 generation due to the high penetration of solar and wind in the system, which regularly drives the wholesale spot price into negative territory during the day. This may only become worse as more wind and solar enters the system. Government/s or an institution would need to underwrite the electricity revenue under a long-term commercial agreement similar to the Federal Governments 'Capacity Investment Scheme' (CIS) to mitigate commercial risk.

- Waste Heat

Waste heat recovery can deliver revenue from the sale of domestic/commercial heating and process heat. Due to our warmer climate, domestic and commercial heating is not commercially viable. The sale of process heat may be commercially viable if a heat load is located close to the generation facility.

- Large Greenhouse Gas Certificates (LGC's)

According to government sources, the Renewable Energy Target (RET) scheme is scheduled to end in 2030 and will be replaced with the Guarantee of Origin scheme. The LGC price has collapsed in recent months reportedly due to over supply. It's possible the price may collapse further as more wind and solar enters the system. There are no clear price signals for renewable energy certificates in the future currently under either scheme. Another limiting factor is the RET legislation. Normally, LGC's cannot be created from the destruction of hydrocarbons or commercial waste.

- Gate fees

Gate fees would be based on a commercial metric. However, other costs levied against the business will require commercial guarantees by Government, Agencies, and local Councils to mitigate sovereign risk from future cost increases.

- Fly ash

Whilst a market does exist for the sale of fly ash, the revenue is not significant.

- Australian Carbon Credit Units (ACCU's)

WtoE facilities may be able to create ACCU's under the Carbon Credits (Carbon Farming Initiative—Source Separated Organic Waste) Methodology Determination 2016. However, according to the Clean Energy Regulator website, this method expires on the 31st March 2026.