



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 2/03/2015

Proposal No: A285
Date Published:

Proposal Title: **RENEWABLE ENERGY TARGETS**

Cluster: Trade and Investment, Regional Infrastructure and Services

General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation					0
Less: Offsets					0
Revenue					0
Net Operating Result:	0	0	0	0	0

Capital Expenditure					0
Capital Offsets					0
Net Capital Expenditure:	0	0	0	0	0

Net Lending/(Borrowing):	0	0	0	0	0
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Net Financial Liabilities:	0	0	0	0
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Total State Sector Impacts

Net Financial Liabilities:	0	0	0	0
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Notes and costing assumptions

The policy proposes to require by law all energy retailers to obtain at least 20 per cent of the energy they sell in NSW from renewable sources by the year 2020 and require by law all energy retailers to obtain at least 50 per cent of the energy they sell in NSW from renewable sources by the year 2030. The renewable energy sold by the energy retailers will not have to be sourced in NSW.

This policy has a zero cost as any impact would fall outside the forward estimates. There may be long terms costs to the State as a purchaser of power from setting a 50 per cent renewable energy target by 2030, especially if it differs from Federal Government policy in this area.

Background

A Renewable Energy Target (RET) was legislated by the Commonwealth Government at 41,000 gigawatt hours in 2010, which, when set, was expected to be 20 per cent of total electricity generated.

Given downward revisions to electricity demand since 2010, the continuation of the existing target, alongside pre-existing renewable energy generation, is expected to result in Australia exceeding the goal of 20 percent renewable energy by 2020.

The Commonwealth Government is attempting to negotiate a new RET target to 2020 that more closely aligns with the 20 per cent policy goal. NSW has not legislated any specific target.