



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

**AUSTRALIAN CENTRE FOR
RENEWABLE ENERGY BILL 2009**

Second Reading

SPEECH

Wednesday, 25 November 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

<p>Date Wednesday, 25 November 2009</p> <p>Page 30</p> <p>Questioner</p> <p>Speaker Sidebottom, Sid, MP</p>	<p>Source House</p> <p>Proof Yes</p> <p>Responder</p> <p>Question No.</p>
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Mr SIDEBOTTOM (Braddon) (12.04 pm)—I am very pleased to make a contribution to this very important piece of legislation, the Australian Centre for Renewable Energy Bill 2009, which heralds so much of what is very, very important to Australia's future, particularly in terms of renewable energy. As you are well aware, Mr Deputy Speaker, I come from the renewable energy capital not just of Australia but of this whole region. Indeed, it should be on the cutting edge of the renewable energy business and systems throughout the world. I want to congratulate the minister at the table at the moment, the Hon. Martin Ferguson, for his work particularly in resources and energy and in the support of the renewable energy sector, which is so important both to Tasmania and to the rest of Australia.

The bill itself is to establish the Australian Centre for Renewable Energy board and the Chief Executive Officer of the Australian Centre for Renewable Energy. Just in brief, the bill provides for the establishment and functions of the board, its constitution and membership and requirements for meetings, voting and annual reporting. The bill also establishes the position of CEO of ACRE, which is to be held by a senior executive service officer of the department.

As part of the Renewable Energy Demonstration Program, the minister at the table only recently announced one of the first projects to be successful. This indeed affects my electorate of Braddon and in particular King Island. The successful applicant for the Renewable Energy Demonstration Program project was Hydro Tasmania. It proposed a series of innovative projects on King and Flinders islands in the Bass Strait. But in the main, this is affecting King Island, and will result in the use of renewable energy for over 50 per cent of the island's energy needs and will reduce CO2 emissions by more than 70 per cent. As a system, this scale would be world leading so, again, hydroelectricity is at the cutting edge in Tasmania in terms of renewable energy for Australia. This integrated project on King Island should be part of cutting-edge technology to assist not just in Australia but also worldwide.

Just for a bit of background information, the Bass Strait islands include King Island, which is in Braddon, and Flinders Island, which is in Bass. The electricity

supply on these islands is the responsibility of Hydro Tasmania and is generated principally using diesel and wind generation sources. The average annual generation is around 20 gigawatt hours, comprising 72.5 per cent diesel, 27 per cent wind and 0.5 per cent solar. There are approximately 1,300 electricity customers on King Island and 720 on Flinders Island. On King Island the majority of the load, 65 per cent, is business related, with two large customers accounting for half the business load. On Flinders Island the majority of the load, some 58 per cent, is for residential purposes.

Both King Island and Flinders Island remain unconnected to the national power network. Power has traditionally been supplied by burning diesel fuel, a costly and emissions intensive practice exposed to volatile fuel prices and to energy security concerns. The basic argument is that the cost of power production exceeds what can be reasonably charged for supply and the additional cost burden of something like \$6 million per annum is borne by the Tasmanian taxpayer. A solution is required to significantly reduce the amount of fossil fuel required for the power supply. This is at the heart of the Renewable Energy Demonstration Program project which the Minister for Resources and Energy, who is at the table, announced just recently. I do thank the minister for that very much, and I know the people of King Island are really looking forward to seeing what happens here.

More broadly, there is also a perception in the wider Australian community that renewable energy technologies are generally unsuitable to supply base load generation or to meet high priority demands and loads. There is little question that the integration of intermittent renewable energy sources to the power system represents a significant challenge in the large-scale development of renewable generation. The BSI project aims to demonstrate that technologies exist today to manage this intermittency, and that a pathway exists to implement these technologies in a cost-effective manner in the medium term.

To date—and this was at the heart of the success of Hydro Tasmania's application for the REDP funding—Hydro Tasmania has achieved some promising results with the increased utilisation of renewable energy in the Bass Strait. In particular on King Island, Hydro

Tasmania has successfully reduced fuel use by 35 per cent largely via the use of wind turbines. Currently the system can be operated with wind power supplying up to 70 per cent of instantaneous customer demand.

The Bass Strait Islands Renewable Energy Integration Project successful in the funding application is a portfolio of innovative projects utilising new and existing technologies to increase the use of renewable energy in a power system, reducing emissions and improving the quality of supply. The project will demonstrate the potential for renewable energy to contribute significantly to the development of a more sustainable and lower carbon intensive Australian power system over the next 10-20 years—the very heart of the CPRS system that we wish to see this parliament pass this week. The project includes the development of wind and solar photovoltaic in combination with new energy storage devices and enabling technologies designed to allow greater contribution of power from renewable sources. The rollout of a smart grid will also enhance the ability to control load to match the available renewable energy supplies.

The total cost of the program is estimated at \$61.2 million over four years. Hydro Tasmania requested something like \$19 million from the federal government and was successful in receiving \$15 million. I know they are highly excited by their success in that area.

In conclusion, because I know the minister would like to see this bill on its way, as it should be, and we have other legislation to get on with, may I congratulate the government on its renewable energy initiatives. May I congratulate it on its CPRS legislation, which hopefully will be passed today. I thank the minister for the availability of the scheme and the funding. I look forward to working with him, Hydro Tasmania and the King Island community on developing what is a really world-class pioneering, exciting renewable energy integration project.