

After years of indecision Australia has a new Renewable Energy Target (RET). The Abbot led Federal Government has caused enormous damage to the industry through its deliberate move to remove the RET and thankfully they did not get their own way.

Whilst the Small Scale Scheme was not affected during the last 18 months, activity in this scheme was also greatly reduced due to uncertainty. This uncertainty will not start to lift until the issue is settled.

Amending legislation to implement the Government's reforms to the Renewable Energy Target (RET) was agreed to by the Australian Parliament on 23 June 2015.

The package of reforms includes measures that will provide certainty to industry, encourage further investment in renewable energy and better reflect market conditions.

The Government is also considering options to enhance the uptake of large-scale solar technology, other renewable energy technologies and energy efficiency.

Since January 2011 the RET scheme has operated in two parts—the Small-scale Renewable Energy Scheme (SRES) and the Large-scale Renewable Energy Target (LRET).

The LRET creates a financial incentive for the establishment or expansion of renewable energy power stations, such as wind and solar farms or hydro-electric power stations. It does this by legislating demand for Large-scale Generation Certificates (LGCs). One LGC can be created for each megawatt-hour of eligible renewable electricity produced by an accredited renewable power station. LGCs can be sold to entities (mainly electricity retailers) who surrender them annually to the Clean Energy Regulator to demonstrate their compliance with the RET scheme's annual targets. The revenue earned by the power station for the sale of LGCs is additional to that received for the sale of the electricity generated.

The LRET includes legislated annual targets which will require significant investment in new renewable energy generation capacity in coming years. The large-scale targets ramp up until 2020 when the target will be 33,000 gigawatt-hours of renewable electricity generation.

Solari believes this is the step needed to allow the industry to move forward. Whilst the company does not agree with the reduced target it does applaud the opportunity to get solar sales happening once again.