

# DEC Office of Climate Change

Environmental Consultants Association (WA) Climate  
Change Seminar

## Overview of State and National Policy Initiatives

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The information contained in this presentation is provided by the Office of Climate Change, Department of Environment and Conservation in Western Australia. The information is considered to be correct on the date of preparing the presentation (24th November, 2009). The Office of Climate Change recognises that changes in national and state policy will occur with time and disclaims responsibility for the currency of information beyond the date of preparation.



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# OVERVIEW OF PRESENTATION

- The Office of Climate Change
- Commonwealth policy
- State policy
  - Current State policies
  - Climate Change Adaptation and Mitigation Strategy



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# THE OFFICE OF CLIMATE CHANGE

OCC established within DEC in May 2007 as part of former Government's *Premier's Climate Change Action Statement*.

Key objectives include:

- Lead development of policy advice on greenhouse issues in WA and coordinate whole of Government responses to climate change related issues;
- Represent WA in intergovernmental negotiations and policy development;
- Undertake and review economic analysis of greenhouse policy, emissions trading and carbon markets;
- Implement the Government's adaptation to climate change program, coordinate the Indian Ocean Climate Initiative; and
- Work across each sector of the economy in conjunction with relevant State agencies to assess greenhouse gas abatement opportunities and policy measures.



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# THE OFFICE OF CLIMATE CHANGE

OCC has two main work streams:

- Adaptation – adapting to the unavoidable impacts of climate change.
- Mitigation – reducing greenhouse gas emissions.
- Emissions trading primarily responsibility of Treasury's *Emissions Trading Unit*



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# COMMONWEALTH PROGRAMS – CPRS

- Commonwealth intends to implement broad based emissions trading scheme mid 2011
  - Subject to Senate agreement
- Will cover all except LULUCF and Agriculture – agriculture to be reviewed but may be permanently excluded
  - Forestry can opt in
  - Only directly cover 25 Kt+ emitters (10 Kt for some waste)
- Prices initially capped at \$10 per tonne first year, then \$40 plus cpi plus 5% for next four years then prices set by market



## COMMONWEALTH PROGRAMS – CPRS

- EITEs compensated at 60% and 90% of industry average emissions until competitors have equivalent carbon price
  - EITEs based on emissions intensity
- SAIs (coal fired power stations) receive compensation to reflect asset value impact
- Fuel excise “holiday” removes impact on transport fuels for 1<sup>st</sup> 3 years
- Assistance for low income families via pension increases, tax changes and transitional payments
- Assistance for impacted businesses and regions via \$1.15 billion *Climate Change Action Fund*



# COMMONWEALTH PROGRAMS – TECHNOLOGICAL SUPPORT

- Currently range of low emission technology support programs from Commonwealth and other States and Territories (from Garnaut Review)
- CPRS will also deliver \$600m pa *Climate Change Action Fund* to support business energy efficiency opportunities

[www.climatechange.gov.au](http://www.climatechange.gov.au) &  
[www.ret.gov.au](http://www.ret.gov.au)



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Table 18.2 Research and development programs in Australia targeting low-emissions technologies

Policy/fund name	Description	Funding
Low Emissions Technology Demonstration Fund	Supports the commercial demonstration of technologies that have the potential to deliver large-scale greenhouse gas emissions reductions in the energy sector.	\$410 million over 11 years
Renewable Energy Development Initiative	A competitive merit-based dollar-for-dollar grants program supporting renewable energy innovation and commercialisation.	\$100 million over seven years
Solar Cities	Demonstrates how solar power, smart meters, energy efficiency and new approaches to electricity pricing can be combined.	\$93.8 million over nine years
Energy Technology Innovation Strategy (Victorian Government)	Assists the commercialisation of coal drying, coal gasification and geosequestration technologies, distributed generation energy efficiency, and renewable and enabling technologies. This funding supports some Low Emissions Technology Demonstration Fund projects.	Up to \$369 million
Queensland Future Growth Fund	Supports the deployment of low-emissions coal and renewable energy technologies. Will operate separately from the Queensland state budget.	\$350 million
Green Car Innovation Fund	Aims to support the manufacturing of low-emissions vehicles in Australia. Will operate on a matched funding basis at a ratio of 1:3 public:private.	\$500 million over five years
National Low Emissions Coal Fund	Aims to reduce greenhouse gas emissions and secure jobs in the coal industry by stimulating investment in clean coal technologies with matched funds at a ratio of 1:2 public:private.	\$500 million over seven years
Renewable Energy Fund	Targets renewable energy demonstration projects with private sector funds matched at a ratio of 2:1 public:private. Funding distributed through competitive grants, based on the goal of encouraging a range of technologies across a range of geographic areas. Fifty million dollars has been earmarked for dollar-for-dollar matched funding for private investors in the geothermal industry.	\$500 million over seven years
Energy Innovation Fund	Investments targeted equally towards the Australian Solar Institute (solar thermal), photovoltaic research and development, and general clean energy research and development, including energy efficiency, energy storage technologies and hydrogen transport fuels.	\$150 million over four years

Sources: Prime Ministerial Task Group on Emissions Trading (2007); Australian Treasury (2008).



# COMMONWEALTH PROGRAMS – TECHNOLOGICAL SUPPORT

- \$4.5 billion Clean Energy Initiative includes
  - CCS Flagships Program - supporting construction and demonstration of large scale integrated carbon capture and storage projects in Australia.
  - Solar Flagships Program - supporting construction and demonstration of large scale solar power stations in Australia.
  - Australian Centre for Renewable Energy - promote the development, commercialisation and deployment of renewable energy technologies
- CPRS will also deliver \$600m pa *Climate Change Action Fund* to support business energy efficiency opportunities

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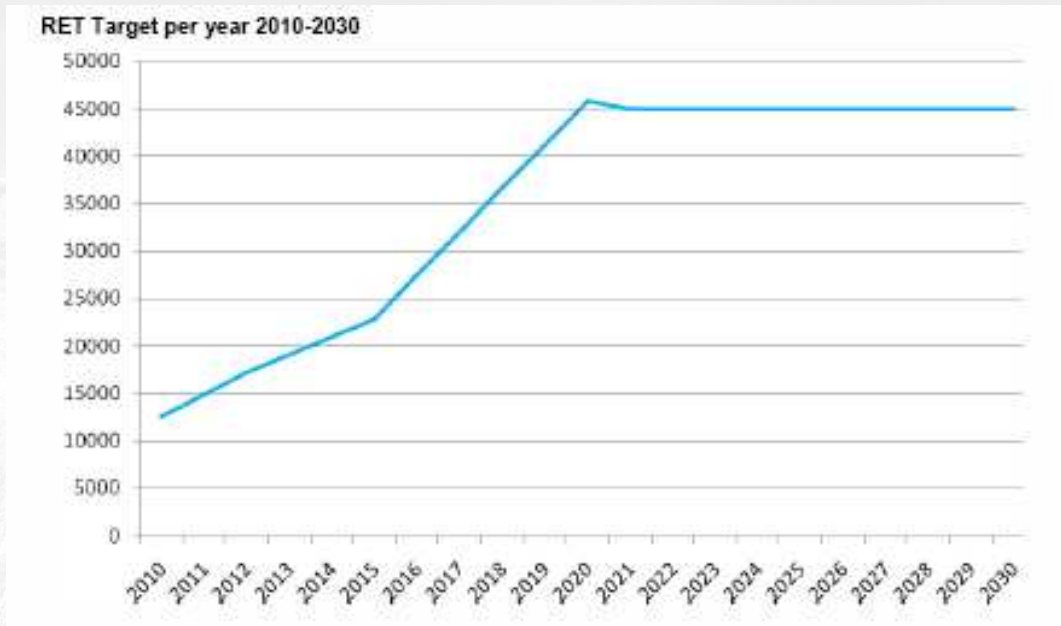


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# COMMONWEALTH PROGRAMS – RET

- Renewable energy target requires 20% (45,000 gigawatt-hours) of Australia's energy by 2020 to come from renewable sources
- Wholesale electricity purchasers must buy RECs equal to renewable energy liability
- RECs can be created from renewable generation, SHW and existing waste coal mine gas stations
- EITEs partially exempted
- Penalty charge \$65 per MWh



# JOINT COMMONWEALTH/STATE PROGRAMS – ENERGY EFFICIENCY

- National Partnership Agreement on Energy Efficiency agreed between States and Commonwealth in July 2009
- Will deliver nationally consistent energy efficiency measures in most cases implemented by States:
  - Household information
  - Assistance to business
  - Efficiency standards in buildings
  - Improved air conditioner standards
  - Smart grid and DSM
  - Improved energy efficiency of Government operations
- Implementation plans currently being developed



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# WA GOVERNMENT PROGRAMS

- SEDO provides grants in renewable energy including:

[Remote Area Power Supply Program](#)

[Renewable Energy Water Pumping Program](#)

[Regional Energy Efficiency Program](#)

[Rural Renewable Energy Program](#)

[Renewable Remote Power Generation Program](#)

[www.sedo.energy.wa.gov.au](http://www.sedo.energy.wa.gov.au)

- Department of Commerce provides research support such as via Centres of Excellence, major research facilities eg WAMSI, WAERA

[www.commerce.wa.gov.au](http://www.commerce.wa.gov.au)



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# OFFICE OF CLIMATE CHANGE POLICIES AND PROGRAMS

- 2007 *Premiers Climate Change Action Statement* outlined extensive range of programs including:
  - \$36.5 million Low Emissions Energy Development Fund
  - 60% state abatement target
  - 20% renewable energy target
  - 60% cleaner energy target
  - \$4 million IOCI program
- But many of these in response to lack of Commonwealth action and now abandoned or scaled back
- Complementary measures principle that all climate change policies “complement” CPRS
- Likely to mean that future State policies focus on adaptation or areas of market failure



# CCAMS

- Climate Change Adaptation and Mitigation Strategy (CCAMS) the major work program of OCC over next 18 months
- Government's election platform committed to “work with industry, scientists, local government and conservation groups to develop a Climate Change Adaptation Strategy”
- CCAMS will cover both adaptation and mitigation
- Intent is to deliver a long term framework to:
  - reduce climate change risk to WA; and
  - capture the opportunities



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# CCAMS


- CCAMS will be developed following extensive consultation with key stakeholders including industry, scientists, households, local government and the community
- Public release of Issues Paper to guide public consultation
  - OCC will also consult extensively via targeted workshops
- Development of draft CCAMS and release for public comment
- Public launch of final CCAMS
- Effective consultation will be key to development of CCAMS – urge participation – register to receive Issues Paper via [anne.mathews@dec.wa.gov.au](mailto:anne.mathews@dec.wa.gov.au)



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