

# Ministerial Statement



**Premier Mike Rann**  
Minister for Economic Development  
Minister for Social Inclusion  
Minister for the Arts  
Minister for Sustainability and Climate Change

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## **SOUTH AUSTRALIA MEETS 20% RENEWABLE ENERGY TARGET**

Madam Speaker,

Members of the House are aware of the internationally leading position of South Australia in renewable energy generation capacity, particularly wind power.

When this Government was elected in 2002, there was not a single wind turbine in South Australia.

Today there are 534 operational turbines with a further 25 turbines to be added by the end of this year.

This has not come about by accident but by choice.

In January 2007, we set ourselves the target of having 20% of electricity generated within the State coming from renewable energy.

In pursuing this policy, the Government has;

- Put in place Australia's most streamlined planning framework for wind investors;
- Introduced Australia's first and only payroll tax rebate scheme for wind investors;
- Established RenewablesSA and an investment fund to drive further support such as opening up pastoral land for wind and solar farm investors.

Last week, the Australian Energy Market Operator released its draft supply and demand outlook report for 2010-11.

The AEMO was established by COAG and works within a broader market governance structure alongside the Australian Energy Market Commission (AEMC) and the Australian Energy Regulator (AER) which services the economic regulation and compliance of the energy sector.

I quote from the AEMO report:

*“The capacity of wind generation in South Australia continues to grow and wind energy has now reached 20 per cent of energy production. There is now 1,150 MW of wind generating capacity in the State. According to the World Wind Energy Association's data this puts South Australia second behind Denmark in terms of penetration and the per capita figure of 0.702 kW per person is now higher than any major country in the world.”*

What that means is that, according to the AEMO, **if we were to be considered a nation**, then we would be ranked second in the world.

The report identifies factors contributing to this outcome as, “broad public and political support, and incentives from both the Federal Energy Target and South Australia’s Renewable Energy Rebate Scheme.”

It also identifies that wind investment is the primary contributor to the decline in greenhouse gas emissions from the State.

Importantly, wind has displaced some of the State’s imported electricity requirements.

Imported electricity is the most carbon intensive in Australia and its reduction is a major achievement.

The report also shows that 72 MW of solar generation has also been installed in our State, principally in the form of roof top solar.

The report advises that our installed solar capacity now contributes more energy annually than non-renewable carbon producing diesel-fired generation.

**Achieving the 20% target three years ahead of our own goal and nine years ahead of the rest of Australia is a milestone for our environment and our economy.**

It also prepares us to succeed in a carbon-constrained world.

The carbon intensity of South Australia’s electricity production is already 15% better than the national average and the gap is set to widen as we draw relatively more investment to our renewables sector.

Two years ago, we set ourselves a new target of having 33% of our electricity generation come from renewable energy by 2020.

Since then, we have seen 410 MW of wind power generation added.

The State now hosts 54% of Australia’s wind farm operating capacity.

The outstanding result of meeting the 20% target nine years ahead of the national target gives us confidence in our ability to achieve the 33% target.

By comparison in terms of non-hydro capacity per capita, we are generating **five times** more renewable energy than Victoria and **ten times** more than New South Wales.

However, we face a number of challenges.

Some of these relate to;

- Managing the intermittent nature of wind generation;
- The need for better information about transmission availability; and
- The effect on investor returns of the current soft market for Renewable Energy Certificates.

Finally, the Government is concerned about the impact on future wind investment of a recent judgement handed down by the Environment, Resources and Development Court.

The Court has upheld an appeal against a wind farm on the grounds of its adverse impact on visual amenity.

I note that the visual impact argument was dismissed by the Court in an earlier appeal of another wind farm proposal.

This decision potentially contributes to uncertainty within communities and among wind investors.

A large part of our success in building an international reputation for hosting wind investment has been our commitment to making the regulatory environment as certain as possible.

The Government will now be considering its options for maintaining that certainty in the light of the Court's decisions.

The Government will not be departing from our ambitious 33% target. We are greatly encouraged by meeting our 20% target three years ahead of schedule and, in doing that, taking a leading position internationally.