

Submission Template

COAG Review Discussion Paper 2 – Self-generation provisions under the expanded national Renewable Energy Target (RET) scheme

Overview

This submission template should be used to provide comments on:

COAG Review Discussion Paper 2 – Self-generation provisions under the expanded national RET scheme

The purpose of this discussion paper is to provide an introduction to the key issues relating to the self-generation provisions of the expanded national RET scheme, and to encourage input on these issues from individuals, businesses and organisations to inform the review process.

Stakeholders are asked to use the template provided to answer the questions posed in the discussion paper. The Department will also accept any other documents, further information, costing tables etc that are attached to the submission template.

Contact Details

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Confidentiality

All submissions will be treated as public documents, unless the author of the submission clearly indicates the contrary by marking all or part of the submission as 'confidential'. Public submissions may be published in full on the Department of Climate Change website, including any personal information of authors and/or other third parties contained in the submission. If any part of the submission should be treated as confidential then please provide two versions of the submission, one with the confidential information removed for publication.

A request made under the *Freedom of Information Act 1982* for access to a submission marked confidential will be determined in accordance with that Act.

Do you want this submission to be treated as confidential? Yes No

Submission Instructions

Submissions should be made by **close of business 30 October 2009**. The Department reserves the right not to consider late submissions.

Where possible, submissions should be lodged electronically, preferably in Microsoft Word or other text based formats, via the email address - **RET@climatechange.gov.au**.

Submissions may alternatively be sent to the postal address below to arrive by the due date.

Renewable Energy Sub Group Secretariat
Department of Climate Change
GPO Box 854, Canberra ACT 2601

For more information phone: 02 6159 7428

Self-generation provisions under the RET

Question: In relation to current or planned remote projects:

- What are the key characteristics of these projects in terms of activities and the layout of energy infrastructure, including distances?
- What are the ownership and electricity supply arrangements for these projects, including power generation, distribution and use, and the amount of electricity generated and used?
- What impacts do the current self-generation provisions have on optimal project design, and project viability, in particular the point to point requirements?

1. Production of heat and electricity through small to medium biomass-fuelled plants needs to be a part of Australia's move to renewable energy. Plants can be all sizes from a farm or timber business scale plant of up to 1 MW-e, up to city or large industrial scale plants of several hundred MW energy output (combined heat and electricity). They may use a gasification or slow pyrolysis principle or be a more conventional furnace/boiler system.

Plants can also be powered by biogas (60-70% methane) produced through anaerobic digestion of manures or waste organic matter such as slaughterhouse residues or reject fruit or vegetable material.

In either case heat is always produced that can substitute for gas, or electrical resistance heat generated from fossil sources. The heat needs to be utilised in the proximity of the plant – ie., in glasshouses or industrial processing, water heating etc. Electricity produced is able to be fed into the grid if such a connection exists, or supply an industrial plant or town, caravan park etc., supplementing or replacing fossil fuel-sourced energy

Any other additional comments

While heat and electricity from biomass (wood pellets, wood chip, straw and municipal wastes) is not widely utilised or even known about in Australia, it is a common source of carbon neutral energy in Europe and increasingly in the UK, USA, Canada, New Zealand, Brazil, and many other countries. It has great flexibility, it is infinitely sustainable, it can have significant environmental benefits and it can create permanent jobs in the supply chains.

Importantly the biomass is presently available in volume here and unutilised or underutilised. Often it goes to landfill or is free-burned, or simply left to rot or break down for want of a use, such as conversion to energy.

The various technical options are of a wide range of sizes of output from a few kilowatts to hundreds of megawatts. Costs of plant are competitive with plant utilising natural gas or heating oil, and in many cases the operating costs including fuel cost are competitive with gas-fired systems. In many countries including New Zealand and USA, there is a subsidy in place to reduce capital cost to encourage conversion. An example is the Fuels for Schools program in the USA (www.fuelsforschools.org)