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Dear Alan

Thank you for the opportunity to provide feedback on the Greenhouse and Energy Taskforce.

As you are aware, we previously met Dr Green and provided a presentation that showed WA's stationary energy sector can meet a 50% GHG reduction of 1990 levels by 2050 by using existing low emission technologies such as combined cycle and co-generation gas plus zero emission renewable energy technologies.

Importantly, our presentation showed there is no need to rely on futuristic breakthroughs in technological capability - we can achieve this target with the technology that is currently available off the shelf. I cannot emphasise too strongly that the key input factor that is required for significant GHG reduction is *not* new technology.

Low emission and zero emission power stations are already being installed in small numbers in WA but unfortunately their positive impact is being swamped by the continued installation of very large high emission generators.

High emission technology promoters leverage their existing dominance, infrastructure and the indifference of both regulators and markets to the greenhouse gas intensity of electricity generation in WA to maintain their market share. This is evidenced by the recent announcement that more coal fired power stations have received approvals and are to be constructed.

Frustratingly, it is common knowledge that we require **market mechanisms that act to favour low emission technologies** if we are to achieve our GHG reduction targets. I am confident that this will be a key finding of your work - as it is of every credible study that has investigated this issue. For example:

- Market mechanisms such as mandating a percentage of renewable energy through the current WA retail licence rules was proposed in 2002 when the difficulty facing renewable generators was recognised by the Western Australian Electricity Reform Task Force (ERTF) who recommended that license requirements be placed on all WA retailers to source a percentage of their electricity from renewable energy (ERTF, October 2002, Recommendation 69).

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- The Australian Bureau of Agricultural and Resource Economics presented a paper/report at the Asia-Pacific Partnership meeting on 12 January 2006. Their report concluded: “to produce the most effective long term approach to climate change, both a technological ‘push’, such as R&D policies, and ‘pull’, such as emission trading are required”. (See www.abareconomics.com/)

In closing, I don't think a long and laboured submission from WA SEA will add anything to existing knowledge. Quite simply, the technology is here but the market mechanisms are not.

If you require another copy of our presentation please contact Johanna Gastevich on (08) 9328 8411.

Yours sincerely



Matthew Rosser
Chair
Western Australian Sustainable Energy Association (WA SEA) Inc.

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