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MEDIA RELEASE

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RECORD \$12B INVESTMENT WILL SEE RET MET IN 2020

The Clean Energy Regulator (CER) has today announced that there will be enough renewable energy projects built over the next three years to meet the Renewable Energy Target in 2020.

The CER has previously said that to meet the Renewable Energy Target approximately 6000 megawatts of capacity would need to be announced and built between 2016 and 2019.

This milestone has been surpassed ahead of schedule following a record level of investment in renewable energy in 2017.

Already, 4924 megawatts of the 6532 megawatts of capacity that has been firmly announced is under construction or already operating, with the balance expected to be fully financed and under construction early this year. More than 1600 megawatts of projects have a power purchase agreement in place which we expect will progress to financial close.

The construction of this level of firmly announced renewable projects will lead to an investment of more than \$12 billion which will support growth in the Australian economy.

Queensland has the largest share of this new build with more than 2000 megawatts of capacity, followed by Victoria with around 1600 megawatts and New South Wales with 1400 megawatts.

One of the major shifts in the market, is the huge increase in share of large-scale solar. In the first 6000 megawatts committed under the scheme, solar contributed only four per cent of the total. In the firmly announced projects since 2016, solar now makes up 46 per cent.

This will ensure significant additional electricity supply is available in the market well ahead of 2020. Importantly, as outlined in the Australian Energy Market Commission's 2017 Residential Electricity Price Trends Report released in December, this extra supply is expected to apply downward pressure on wholesale electricity prices over the next three years.

This year should see around 2600 megawatts of new renewables projects commence operating which will further strengthen reliability and reduce emissions in addition to reducing electricity prices.

This additional supply is expected to lead to a reduction in large-scale generation certificate spot prices. These certificates are purchased by liable entities, mostly electricity retailers, to meet their renewable energy target obligations.

I want to acknowledge the support of the Clean Energy Finance Corporation and the Australian Renewable Energy Agency to get a number of projects off the ground. Importantly, ARENA helped with the early learning that drove down the deployment costs of solar allowing it to be more cost competitive with wind.

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