



Australian Government

Department of Climate Change

C08/7649

Mr James Hansen
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Dear Mr Hansen

Your letter of 27 March to the Prime Minister, the Hon Kevin Rudd MP, concerning climate change, coal and carbon capture and storage, has been passed to the Minister for Climate Change and Water, Senator the Hon Penny Wong. Ms Wong has asked me to thank you for your letter and to reply on her behalf.

Australia sees climate change as one of the world's greatest challenges. The science is irrefutable and the world must act to urgently address climate change and its impacts. The Australian Government considers climate change one of its highest priorities.

Australia's climate change policy is built on three pillars: reducing Australia's greenhouse gas emissions; adapting to climate change that we can't avoid; and helping to shape a global solution. As your letter raises concerns about the use of coal and highlights the role of carbon capture and storage, I will focus herein on actions being taken by the Australian Government to reduce Australia's greenhouse gas emissions.

Australia has committed to reduce our greenhouse gas emissions by 60 per cent on 2000 levels by 2050. To meet this target, technologies to capture and store carbon dioxide emissions, in particular from coal fired power generation, will be important.

Rather than adopt a legislative approach to enforce the use of carbon capture and storage, the Australian Government is developing, as the central element of our emissions reduction efforts, an emissions trading scheme. This scheme, which will be introduced by 2010, will be designed to drive the development and deployment of greenhouse gas abatement measures by industry.

The Government recognises that there remain barriers to the commercial uptake of carbon capture and storage technologies, and with this in mind is also investing \$500 million in a

National Clean Coal Initiative to accelerate the development and roll-out of low emissions technologies for coal. The National Clean Coal Initiative supports the development and deployment of the low emissions coal and carbon capture and storage technologies, which Australia will need to achieve substantial reductions in greenhouse gas emissions from future coal use, while also guaranteeing the contribution that coal makes to our economy and energy security. It includes technologies that can be retrofitted to existing coal power stations or power stations that may be built in the near future.

Australia also supports development and deployment of low emissions coal technologies at the global level through bilateral and multilateral partnerships. We chair the Cleaner Fossil Energy Taskforce of the Asia-Pacific Partnership on Clean Development and Climate (APP), which works to identify the potential for, and encourage uptake of, carbon dioxide capture and storage opportunities in Partnership countries. Australia has also committed \$20 million to the Australia-China Joint Coordination Group on Clean Coal Technology.

The Australian Government also recognises the importance of renewable technologies in addressing the challenges of climate change. Renewable technologies will need to become a greater part of the world's energy mix into a carbon constrained future.

The Government is committed to ensuring that twenty per cent of Australia's electricity is supplied from renewable energy sources by 2020. To deliver on this commitment, the Government is developing a national Renewable Energy Target (RET) scheme that will include a legislated target of 45 000 gigawatt-hours in 2020. The RET will expand on the existing Mandatory Renewable Energy Target (MRET) and absorb Australian State and Territory renewable energy targets into a single national scheme. Design of the RET scheme is expected to be finalised in September 2008, with legislation put in place by mid-2009.

Australia's emissions trading scheme will also help bring renewable technologies into the market over time. As a transitional measure, the national RET scheme will help prepare the electricity sector to contribute to the significant emissions reductions that will be needed to address climate change. The RET scheme will be phased out after 2020 as Australia's emissions trading scheme matures. The Government has also committed \$500 million to its Renewable Energy Fund and an additional \$150 million to its Energy Innovation Fund.

Thank you for taking the trouble to write, and for bringing your views to the attention of the Australian Government.

Yours sincerely



Peter Roberts
A/g Assistant Secretary
Multilateral Branch
5 June 2008