

GOVT / REGULATIONS > NEWS FROM THE FRONT > THERMAL MESS

Carbon price is not enough: TEC urges a grown up strategy_ [SHARE](#)   [PRINT](#)  [RSS](#) 

By Tina Perinotto

16 February 2011 – The Total Environment Centre on Wednesday called on government to embrace energy efficiency along with a carbon price, after reports in Fairfax newspapers said some energy efficiency schemes had wasted billions of dollars.

Recently there have been calls by business and the energy industry to drop efficiency programs if a carbon price comes in, executive director of Total Environment Centre, Jeff Angel said, but the belief that all that was needed to tackle climate change was a carbon price was “lazy policy, which betrays an incomplete understanding of economics.”

Mr Angel said that complementary mechanisms such as a Mandatory Renewable Energy Target and a National Energy Savings Initiative were necessary to address market failures, which a carbon price could not solve, and undo some of the damage caused by any compensation payments to big polluters.

“All these programs must be used in unison to ensure that the mitigation of greenhouse gas emissions is economically, environmentally and socially efficient,” said Mr. Angel.

The Sydney Morning Herald in a [front page story](#) said that some schemes had cost far more per tonne of carbon emissions saved than a mooted carbon price. For instance the insulation scheme had cost \$340 for each tonne of emissions saved compared to an expected carbon price of \$25 \$25 a tonne

Mr Angel said that the Herald’s report “only told half the story” because “efficiency makes money rather than costs.”

Energy efficiency costs “less than one dollar a tonne, and that’s before you even factor in the benefits of avoided climate change,” Mr Angel said.

He said the high net savings of energy efficiency was identified by ClimateWorks Australia in their Low Carbon Growth Plan:

Measure	Societal cost A\$ tCO_2e pa in 2020	Volume MtCO_2e pa in 2020
Mining energy efficiency	-106	2.9
Other* Industry Energy	-129	0.2
Cogeneration	-48	4.5
Residential appliances and electronics	-112	2.0
Commercial energy waste reduction	-138	4.4
Petrol car and light commercial efficiency improvements	-74	2.9
Diesel car and light commercial efficiency improvements	-89	1.7

*Other industries include cement, chemicals, petroleum and gas, food, beverage and tobacco, and pulp, paper and print.

Mr Angel said: “These savings were incorporated in the Report of the Prime Minister’s Task Force on Energy Efficiency. The Task Force confirmed the cost-effectiveness of energy efficiency and identified that the myriad of programs spread out over multiple State and Federal government departments were insufficient and lacked overall strategy to be truly effective.

“The Prime Minister’s Task Force on Energy Efficiency has offered sound solutions, such as establishing a National Energy Savings Initiative. This Initiative was shown by the Task force to save \$12 billion on infrastructure and lower power prices, saving households \$87 to \$180 a year in 2020.

“TEC urges the Federal government to implement the recommendations of the Report of the Prime Minister’s Task Force on Energy Efficiency. The programs recommended complement a carbon price, and work towards the goal of tackling climate change at least cost to the economy, the environment, and society.

“TEC advises Federal and State governments not to phase out effective complementary programs, because a carbon price by itself will not be enough to ensure the economically efficient reduction of greenhouse gas emissions.”

editorial@thefifthestate.com.au

16 February, 2011

Call **Energy Conservation Systems**
on **1300 731 392** to
make your organisation achieve
energy and water efficiency
through advanced design
and engineering



GIW  environmental
SOLUTIONS