

Methane sneaks into play

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THE Federal Government has conceded an Opposition amendment to its renewable energy target by granting energy credits for generating electricity from methane produced at coalmines.

The Climate Change Minister, Penny Wong, said coal-gas conversion would be included on top of its target of generating 20 per cent of energy from renewable sources by 2020. "Waste coalmine gas is not a renewable energy source and is not intended to contribute to the 20 per cent target for renewables in 2020," she said.

The Government is decoupling the renewable energy target from its rejected emissions trading scheme in a bid to win Opposition support.

As a result of the amendment, the coal gas conversion industry, which converts methane from coalmines into electricity, will be allowed to sell the clean energy credits for a profit.

The Opposition spokesman on climate change, Greg Hunt, said the move would save 400 regional jobs and reduce greenhouse emissions. "It also shows negotiations are continuing productively and I expect we will have renewable energy legislation by the end of the week."

But the Government is holding its position on four other Opposition amendments, including greater assistance for aluminium and agriculture industries, until the legislation reaches the Senate later this week.

The Opposition plans to move an amendment to reserve 5 per cent of the 20 per cent target for emerging baseload renewable power because of fears the wind and household solar industries will consume much of the target.

Susan Jeanes, head of the Australia Geothermal Energy Association, said geothermal, wave and baseload solar technologies would be set back years if part of the target was not reserved.