



Hon Peter Collier MLC
Minister for Energy; Training and Workforce Development

Your ref: MAD001
Our ref: 34-09030

^{MAC}
Mr Allan Dawson
Market Advisory Committee Chair
Independent Market Operator
PO Box 7096 Cloisters Square
PERTH WA 6000

Dear Mr Dawson *Allan*

RENEWABLE ENERGY GENERATION WORKING GROUP

I refer to your letter regarding the work of the Renewable Energy Generation Working Group and its assumptions regarding the procurement of Renewable Energy Certificates (RECs) under commercial decision making arrangements.

I note the Market Advisory Committee's (MAC) interest in being kept informed regarding any future policy directions on the procurement of RECs in Western Australia.

In response to this request, I would note that there is no intention to direct liable parties in Western Australia to procure RECs solely from within the State. I also note that such a proposal would represent a significant change to the governance arrangements for the electricity market within Western Australia.

As you will be aware the Government is continuing to develop a range of policies and programs to support investment in renewable energy projects within the State.

In this context, the Strategic Energy Initiative (SEI), *Energy 2030*, is seeking to develop an ambitious and practical plan that aims to meet the State's energy needs over the next 20 years. This includes consideration of issues relating to the cost, availability and carbon intensity of our future energy use. The SEI Draft Directions Paper is due to be released for public comment in the near future.

As the Office of Energy is represented on both the MAC and the Renewable Energy Generation Working Group, it will therefore be positioned to provide updates on any policy directions for this matter arising from the above process.

Thank you for taking the time to write to me on this issue.

Kind regards

A handwritten signature in black ink, appearing to read 'P. Collier', written in a cursive style.

Hon Peter Collier MLC
MINISTER FOR ENERGY

12 AUG 2010