



The Bullroarer - Wednesday 16 July 2008

Posted by [Big Gav](#) on July 16, 2008 - 8:45am in [The Oil Drum: Australia/New Zealand](#)

Topic: [Miscellaneous](#)

SMH - [Emissions trading plan unveiled](#)

The Rudd Government has opted for a softly, softly approach to emissions trading, which will most likely lead to an increase in the cost of living of less than 1 per cent. The Government's options paper on emissions paper, released in Canberra today, will ease Australia into a relatively gentle scheme on July 1, 2010. This approach is good news for industry and means there will be a limited impact on household budgets - but it's not likely to lead to deep cuts to greenhouse emissions in the short term.

SMH - [Wong to ease squeeze at bowser](#)

Labor's Climate Change Minister Penny Wong has started the campaign to sell the emissions trading scheme by rejecting claims the Government has ignored key advisers. The Green Paper on the Government's Carbon Pollution Reduction Scheme has included petrol in the trading scheme and recommends a "cent for cent" reduction in the current fuel excise. The move has been designed to ease the financial squeeze at the petrol bowser for consumers who are already facing fuel prices that are already 30 per cent higher this year.

The Government has admitted retail fuel and energy prices will increase as the result of producers facing higher costs from having to reduce emissions. The proposed cut in excise comes after Ross Garnaut, the eminent economist appointed by the Government before it was elected as its key climate change adviser, said the scheme should not alter market forces.

Professor Garnaut said petrol should be included in the trading scheme but believed cutting the excise to offset the carbon price on petrol would send a "funny signal" to world markets. Instead, he recommended in his first report that was delivered on July 4, that low income earners be given direct assistance to cope with the forecast in fuel.

SMH - [Government to cut petrol excise](#)

It is estimated the move will cost Treasury up to \$1 billion a year in foregone tax revenue.

SMH - [Electricity may rise by 16 per cent](#)

SMH - [Greens attack fuel excise cut](#)

Crikey - [Is Rudd truly serious on climate change?](#)

Is the Prime Minister's Office serious about addressing climate change? Is it even serious about getting an emissions trading scheme through the Senate? Its handling of the release of the Green Paper suggests its focus is on politics, first and last.

Business Spectator - [Climate change caution](#)

What we do know is that the fossil fuel industry has negotiated itself a massive windfall in the form of free carbon credits. Under the preferred options included in the green paper, the heaviest trade-exposed polluters, such as aluminium smelters, will have 90 per cent of their allocation given to them for free.

Other heavy trade-exposed polluters, such as the pulp and paper industry and various parts of the oil and gas and steel sectors, will get 60 per cent of their allocation for free. Coal-fired generators will also benefit from the government's largess. They will get direct assistance in the form of cash or free permits. Right now we don't know how much. That's one for the lobbyists to fight over.

The coal industry, which has been criticised for investing little in new technology that could take the carbon out of its emissions, will get government assistance on carbon capture and storage options. The forestry industry will gain credits for planting trees, but no penalties for cutting others down. Petrol is included in the scheme, but the cost will be offset by reductions in fuel excise and other taxes.

There is little in this document on incentives on energy efficiency and renewable energy investment – considered by most to be the essential ingredients of a carbon reduced economy and the easiest to obtain. Those are subject to further reviews and more negotiations.

Business Spectator - [Origin ups investment in geothermal JV](#)

Origin Energy has raised its total investment in its South Australian geothermal energy joint venture with Geodynamics Limited to approximately \$150 million, after the firms confirmed reaching a renewable energy milestone.

Origin managing director Grant King said: "This marks a further step on the road to better understanding our Australian geothermal assets. With this milestone achieved we can now move towards actually harnessing the energy contained in Australia's hot-rock resources. We strongly believe in the growth opportunities of our low-carbon technologies in geothermal, solar and gas. Geothermal energy will play an ever more important role in securing the growing global need for clean energy technologies.

Earlier this month, a draft report from Australia's climate change adviser called for an Emissions Trading Scheme in the country (see Australian report pushes for carbon trading). The government plans to issue an outline of the scheme later this month.

Geodynamics has currently drilled three wells, with the completion of the proof of concept phase including a 1 megawatt pilot plant to power the joint venture operations and the local township of Innamincka. The venture plans to build a 50 MW demonstration plant and drill a further nine wells, with the work expected to be completed in late 2011. Another nine plants will be built to produce an overall capacity of 500 MW, estimated to be complete in late 2015.

CNN - [How technology can help aviation go green](#)

Air New Zealand, for example, has begun testing Jatropha, a bush native to Central America that can grow in very arid environments, requires little water and has a much higher yield than crops like corn. Rob Fyfe, CEO of the New Zealand national carrier said they decided on the crop "because we wanted a fuel that had no connotations in terms of competing with the crops from indigenous forests." Air New Zealand has committed to running its fleet on 10 percent non-food biofuels by 2013.

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