

## Corrigendum – *Strong growth, low pollution: modelling a carbon price* report

Since the release of the *Strong growth, low pollution: modelling a carbon price* (SGLP) report, household electricity price projections have been revised. A component of household electricity prices relating to the Small-scale Renewable Energy Scheme was excluded from the data published in the SGLP report and in SKM MMA's related report.

Estimates of the economic impacts of carbon pricing rely on changes between the global action scenarios (where there is no domestic carbon price) and the policy scenarios. Including this additional component would result in a similar change in both the global action scenarios and the policy scenarios.

If the revised electricity price projections were to be incorporated into the macroeconomic and household modelling, there would be no material change to the estimated effects of carbon pricing.

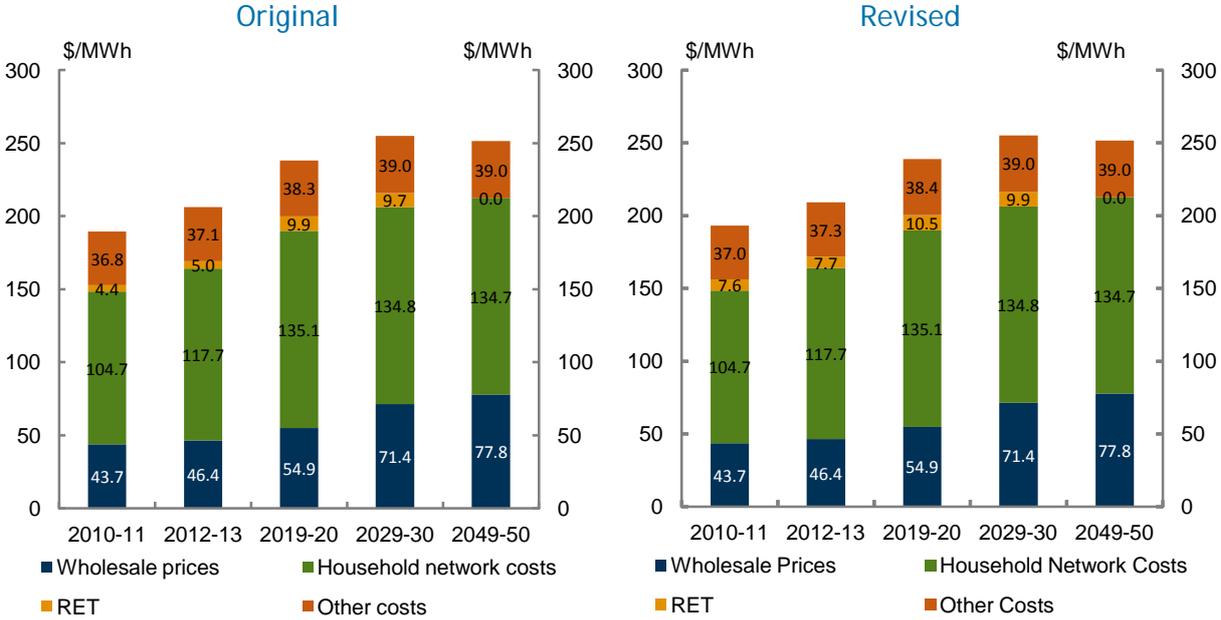
- The slightly higher electricity prices would marginally reduce electricity demand. This would flow through to lower domestic emissions in the global action scenarios, thus marginally reducing the economic effects of carbon pricing.
- The estimated percentage increase in household electricity prices from carbon pricing would remain at 10 per cent in 2012-13.

Given the negligible effects, the SGLP report and Update have not been amended.

However, the revision increases the estimate of the total impact of the Renewable Energy Target from \$4.40 per MWh in 2010-11 (published in the SGLP report) to \$7.60 per MWh, and leads to slight increases in retail margins. The Renewable Energy Target remains a small proportion of overall electricity costs.

The original and revised data are provided below.

**Chart 1.1: Chart 4.18: Household electricity prices  
Global action scenarios**



Note: Prices in 2010 dollars.  
Source: Average of SKM MMA and ROAM.