

Matthew Warren
AGM 18 Nov 2010

Charles Dickens famously observed at the start “A Tale of Two Cities” that “it was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us.”

The clean energy industry in Australia enjoyed its greatest success last year, and yet the challenges we face have never been greater. We have joined together, put aside our differences, harnessed the strength from our newfound unity and delivered major reforms that will be a foundation for growth for the next decade.

After considerable efforts both by the CEC and a number of its member companies, we managed to get the Renewable Energy Target passed in August 2009 and then enhanced and passed again in June this year. This key reform is the foundation upon which we can build a world class clean energy industry. Yet concerns about the transition to the revised scheme. Managing uncertainty is part of business. Our job is to limit that uncertainty to commercial risks, but at the moment the overlay of government and regulatory risks continue to hinder the growth of the industry.

Electricity prices around Australia have started to rise sharply as governments can no longer afford to immunize households from the cost of rising fuels

costs and network investment. The blame game has never been much of a rational sport. Some commentators and political figures have decided that the increased deploy of renewable energy is an easy scapegoat, even if it is only a minor contributor to the economic reality of a fully transparent electricity market. The increased take-up of solar pv systems in particular has been eyed warily. Sales have increased exponentially in 2010, and not just in NSW. We have passed 300 MW of installed capacity, and the numbers keep rising. We keep getting calls from journalists and read press releases and speeches in Hansard. There must be something wrong with this, they argue.

There is absolutely nothing wrong with this phenomenon. It is completely rational. Recently we commissioned Newspoll to explore the relationship between the popularity and influence of renewable energy. What they found makes complete sense. By the start of 2007 the Australian public decided climate change was real, and they wanted something done about it. They then removed a Prime Minister, in significant part because he failed to act decisively.

Two and a half years later when the Prime Minister they elected to fix the problem, deferred it instead, they turned on him as well. They have two strong motivators when thinking about their energy use: they want to avoid rising electricity bills and they want to do something about greenhouse gas emissions.

In the vacuum of policy action on climate change, Australians have acted unilaterally. By August this year 175,000 households had installed solar pv systems. This number will easily exceed 200,000 by the end of the year. Thousands of ordinary Australian households are contributing thousands of dollars of their own money to address their dual concerns about energy: act on

climate change and protect themselves from rising electricity prices. Of course they are buying solar energy. They are unlikely to slow, at least not until they can see more comprehensive action and leadership on climate change.

Our job as the accrediting body is to ensure that every system is installed safely, operates safely and works as promised. The CEC and its forbearers have been doing this now for nearly 20 years. Thanks to the hard work of many of the industry's pioneers, solar has an impeccable safety record. We have continued to step up resources to protect that record and will continue to do so in the coming year.

Next week the government's business round table on climate change meets for the first time. Member companies of the Clean Energy Council are represented on it, as is the council itself. It's an important recognition from the Federal government. Our industry is now occupying its rightful place as a major player in this policy debate. We will honour that trust with the quality of our contribution. The challenge is to not allow the revised debate to unravel the progress made since 2007.

One of the most important missing links in this policy development remains energy efficiency. Policy mechanisms that encourage Australian households and businesses to invest in simple and smart technologies that cut their power bills can tap into the same market sentiment driving solar pv – but at a lower cost. Unlocking the equity in Australian homes and businesses will also help meet the hunger for real action on climate change , immunity from power price rises and help ameliorate growing peak demand.

Australia has finally started to think about a comprehensive strategy to develop emerging technologies. At least we know how far we are behind our competitors in Europe and the US. The establishment and resourcing of the Australian Centre for Renewable Energy is particularly welcome. The Solar Flagships program is expected to deliver four projects from next year.

The Clean Tech boom is not unlike the IT or dot-com boom with one notable exception: it is much more expensive and therefore much more risky. Governments have to date been forced to take the lead in this space because the numbers and the risks are simply too big for most private financiers. Somehow that has to change. We need to devise policy mechanisms that harness the discipline and pragmatism of business with sufficient abundance of capital to not slow or halt new and good ideas. Innovation needs competition and abundance to thrive. We are a long way short of delivering that in Australia.

Our success to date would not have been possible without the committed support of our member companies, many of whom contribute as much in kind as in membership fees. Thank you. We have managed to build an excellent team at the CEC secretariat, who mostly work too hard, except when we need something important done urgently, and then they just work harder. We have a great bunch of people – committed, smart, passionate. And I thank – and credit - them for the great results we're enjoying.

The Board and secretariat have invested substantially in improving processes and systems that will ensure the council's long term sustainability and enhancing our effectiveness.

One of the consequences of growing up is increased responsibility. People are looking to us for more. In the absence of true political leadership, with your support we are assuming more responsibility, gaining more traction and where we can seeking to set and re-set the policy agenda.

The CEC is now engaging with a far wider and larger audience. Probably for the first time, we are looking at community engagement and how best we can empower our strong support in the community to lend their weight to our back.

The record numbers at our national conference and ATRAA this year clearly demonstrate the rapidly expanding interest in renewable energy across the country. Next year we will deliver the inaugural Clean Energy Week in May, which will combine these two successful events with an educational stream for students and events for the public. It will be the first event of its kind in Australia.

Membership continues to grow, with more than 450 companies on board and significant upside growth. We are in a solid financial position with cash reserves in excess of \$1.5 million. That's just as well because the demands on our resources have never been greater.

It's a privilege to work for this industry at this time. We will continue to repay the trust and confidence you have instilled in us in the challenging but exciting times ahead.

ends