

# Madgwicks Energy Forum

April 29 2009

Clean Energy – the future is now

Matthew Warren  
Clean Energy Council



*Clean Energy Council*



# History of clean energy in Australia

- 1895 – Duck Reach Power Station first hydro electricity generation
- Development of photovoltaic electricity in 1970s for remote locations
- 9 per cent total generation
- Biggest market constraint is cost





# Clean energy policy in Australia

- 1996 - Australian Greenhouse Office
- 2001 – Mandatory Renewable Energy Target 9500 GWh
- 2003 Parer Review
- 2007 Rudd Government commitment to 45,000 GWh by 2020 - COAG tomorrow
- \$435 Renewable Energy Fund, PV rebate, geothermal drilling fund





# Creation of Clean Energy Council

- Result of merger of AusWind and Business Council for Sustainable Energy (BCSE) in 2007
- BCSE = Australian EcoGeneration Association (AEA) + Sustainable Energy Industry Association (SEIA)
- Merging and reforming since 1976
- REGA did not join but has since been wound up





## Challenge of emerging industry associations

- 400 members
- Large companies to sole-trader installers
- 100 per cent clean energy focus to marginal part of business
- Highly profitable mature technology companies to zero income clean tech developers
- Income from events and projects
- Federal Court case in 2008





# Restructure in progress

- Evolve to next stage of industry development
- Increased fees, increased service
- Need to drive and inform key policy debates from clean energy perspective
- Complement other perspectives in the debate - shared membership





## Immediate policy priorities

- Green jobs
- Networks
- Financing \$20 billion investment in a GR
- Informing REC market pricing
- Improved tax laws and other mechanisms to stimulate R&D and investment
- True value of deployed generation to drive case for gross feed in tariff





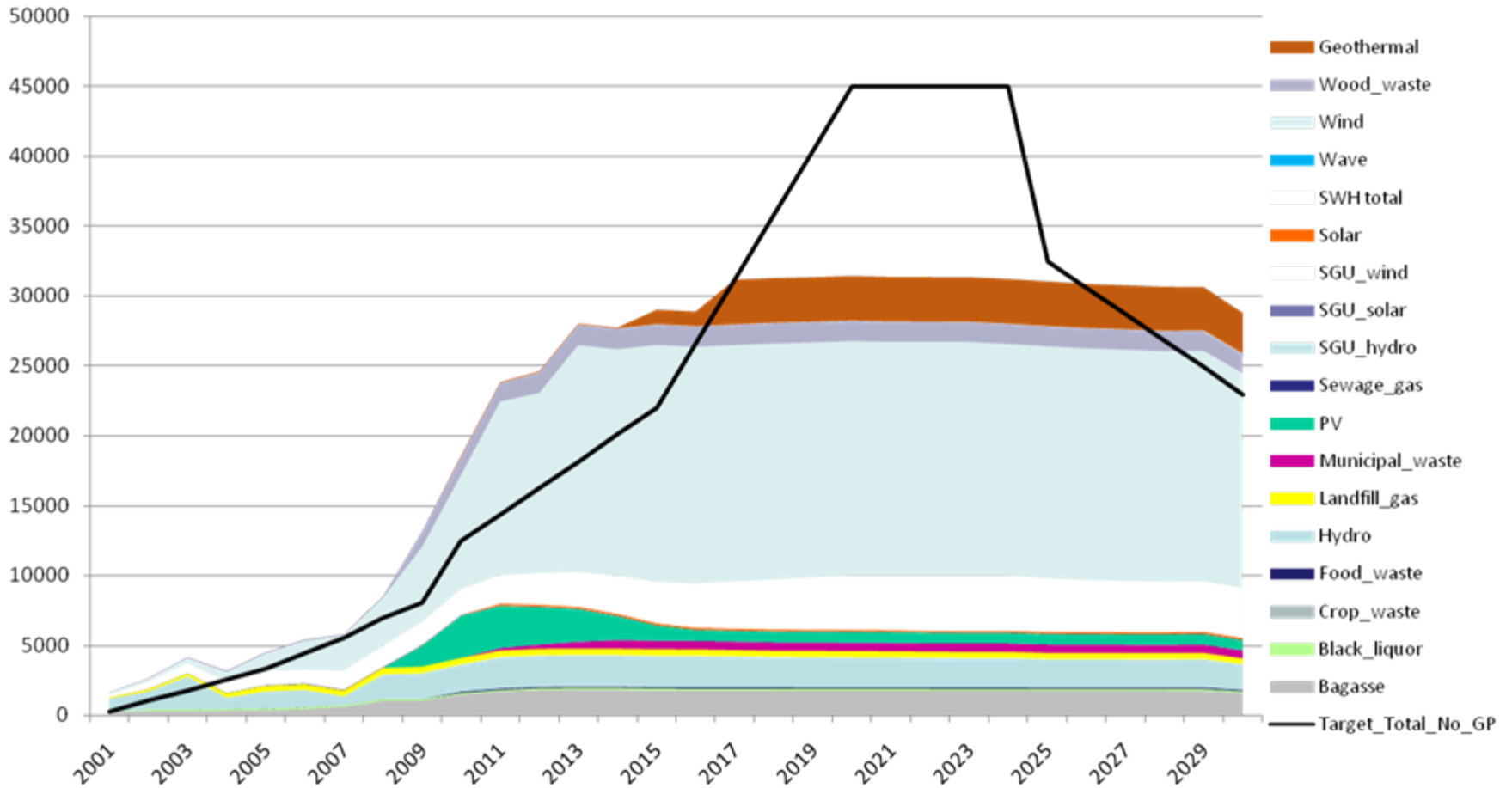
# Renewable Energy Targets

- Being considered by COAG tomorrow
- 45,000 GWh by 2020
- Penalty price \$65 plus tax – review clause
- Solar multiplier – 5x to 2012 then phased out to 2015
- CEC agnostic on treatment of RATE industries



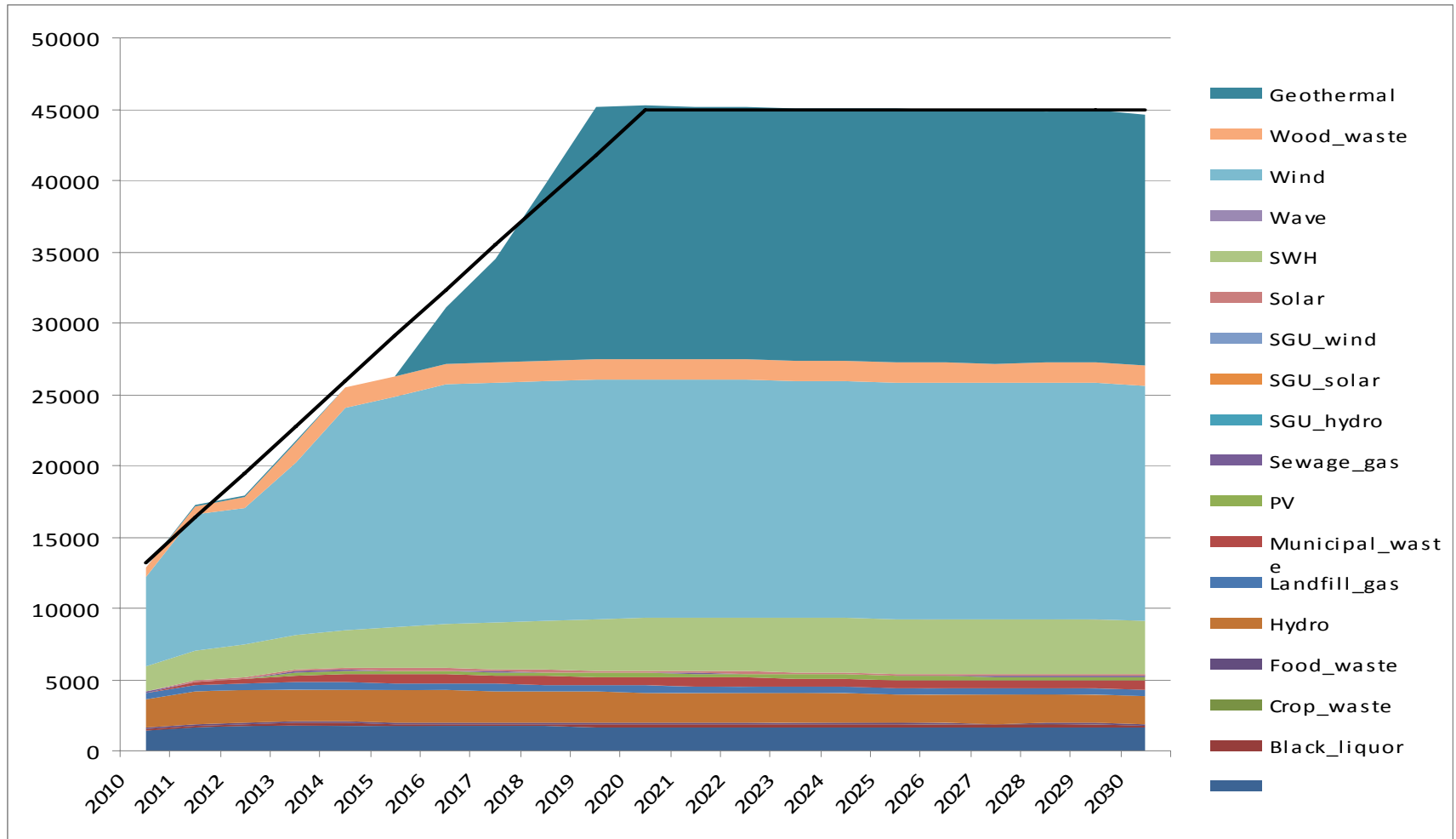


# RET exposure draft trajectory





# CEC preferred trajectory





# CPRS

- Principle objective to reduce and eventually eliminate greenhouse gas emissions as quickly and cheaply as possible
- Can ban them, regulate them or price them out of the market
- Transformation of energy biggest single policy debate of our lifetime
- Decade long policy process – need to start now





# Accelerated transformation of energy industry

- Uncertain future
- Coal to clean coal, gas as a transition fuel, energy efficiency, nuclear
- Clean energy – question is how much and how much?
- Fast transformation may lead to a generation of stranded assets





## Challenge ahead for CEC

- Gone as far as we can on popularity
- Next challenge to build the capacity of the Council and the industry in a GR
- Foster maturing of industry – not an activist group
- Our ultimate goal is to mainstream technologies and make the CEC redundant – way to go yet

