Clean Energy Council

5 November 2008

Mr Joe Andrews
Program Manager, Renewable Energy Demonstration Program
Department of Resources, Energy and Tourism
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Via: joe.andrews@ret.gov.au

Dear Mr Andrews

Thank you for the opportunity to provide a submission on the Draft Renewable Energy Demonstration Program Information Guide.

The Clean Energy Council (the Council) is the peak body representing the clean energy industry. The Council is a member-based industry association representing businesses ready to innovate, invest and act to meet Australia's energy needs safely and reliably while lowering greenhouse emissions. Our member organisations cover a quarter of Australia's total electricity production and are involved in renewable energy, gas, energy efficiency, and distributed generation.

The Council fully supports the early introduction of the Australian Government's Renewable Energy Fund (REF), however we believe that the current $500 million that has been allocated to the REF is inadequate and should be increased to a minimum of $2 billion. The Council believes that the REF is a key component of the coordinated approach that will be required if Australia to meet the challenges of maintaining a strong and internationally competitive economy with lower greenhouse gas emissions. The current international economic conditions make this policy even more critical. Australia has a long history of innovation and this needs to be fostered through targeted assistance to accelerate the development, commercialisation and deployment of renewable energy technologies in Australia.

Australia has enormous potential for new renewable energy technologies across a wide range of energy sources. In many of these areas we are currently at the cutting edge of global research, but without suitable Government support much of this development

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work will go overseas and the business opportunities and intellectual property lost to Australia. This is particularly true for technologies in the solar and ocean arenas, such as solar PV, solar thermal and wave technologies. A number of Australian businesses are currently at the forefront of the technology development globally, but are still at a relatively small scale and without the bind-in of pilot project or other major infrastructure are at growing risk of re-locating their business to more supportive countries.

As stated in the draft guidelines, the stated objectives of the Renewable Energy Demonstration Program (REDP) are to:

- Demonstrate the technical and economic viability of renewable energy technologies through large-scale installations;
- Support the development of a range of renewable energy technologies across a range of geographic locations in Australia;
- Enhance Australia's international leadership in renewable energy technology development;
- Attract private sector investment in renewable energy;
- Contribute to the achievement of the 20 per cent renewable energy target by 2020; and
- Contribute to global efforts for climate change mitigation.

The Council supports these objectives as appropriate for a policy such as the REDP and will assist emerging Australian renewable energy technologies overcome some of the early barriers and ensure that Australian industry is in a position contribute strongly and economically to the global issues of climate change. A number of technologies within the renewable energy industry are poised to go and are awaiting Government support to proceed to the next stage.

To this end, the Council urges the Government to finalise the guidelines as a matter of urgency and issue an immediate call for applications. This should be focused on investment ready projects and on fewer, but larger, grants. These grants need to be big enough to make a real difference in the commercialization of technologies, as they move into expensive large-scale demonstration phase of there development.

The Government should also move to an early appointment of the Renewable Energy Demonstration Program Expert Panel so that there are no delays in processing the applications.

Again, the merit criteria for the REDP as listed below are appropriate for this policy.

- Potential of the project to support the development and deployment of large-scale renewable energy in Australia

- Technical strength of the project, and the technical capability and resources available to the applicant
- Management capability of the applicant
- Project budget and financing
- The potential of the project to retain local, and attract international renewable energy expertise to Australia and enhance Australia's share of the global market for renewable energy technologies

In summary, the Council supports the Guidelines and urges the Government to move quickly to start the process so that businesses can obtain the grants needed to drive a vibrant renewable energy industry for the future of the country and the globe.

If you are seeking clarification on any of the issues raised in this paper or answers to any questions that arise, please do not hesitate to contact me or the Council's General Manager Policy, Mr Rob Jackson on ph. (03) 9929 4100 or email rjackson@cleanenergycouncil.org.au.

Yours sincerely

Matthew Warren
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