

Senate Economics Legislation Committee

## Australian Renewable Energy Agency (Repeal) Bill 2014

15 July 2014

Dear Senator Siewert,

The Sustainable Energy Association of Australia (SEA) strongly supports the retention of the Australian Renewable Energy Agency (ARENA) and the continuation of its programs to support the development and deployment of renewable energy in Australia. We believe ARENA should be retained as an independent body for the funding of renewable energy research, development and commercial demonstration.

SEA finds it extremely disappointing that the Federal Government is withdrawing its support of ARENA, particularly given the explicit support both parties gave the Agency from its inception and through the recent Federal election.

The renewable energy industry in Australia has suffered significant disruption as the result of policy uncertainty and changes over the last five years. The proposed dismantling of ARENA would be another abrupt policy shift negatively affecting long-term market stability. Policies and programs like ARENA and the Renewable Energy Target underpin significant investment in the sector, worth billions of dollars. Scrapping ARENA would certainly cause international organisations to reassess the risk of investing in Australia, both in the renewable sector and across the economy in general.

ARENA has provided over \$1 billion of funding to more than 180 in projects in Australia. The Agency has addressed a significant project funding gap in the market and has brought together public and private funding sources to achieve concrete outcomes. In doing this, ARENA has leveraged \$1.80 for each \$1.00 it has invested, proving it has been highly effective with its investment mandate.

ARENA plays a critically important role in supporting the next wave of renewable energy technology in Australia. The Renewable Energy Target has effectively driven the deployment of least-cost technologies (largely wind and small scale solar PV). ARENA plays a major part in helping to demonstrate **emerging** technologies, such as marine energy, geothermal, solar thermal, large-scale solar and storage.



Legal Depth | Breadth | Presence

**NISSAN FLEET**

Probono legal advice provided by  
Jackson McDonald Lawyers



Future Smart Strategies  
Business Innovation Sustainability



The Sustainable Energy Association of Australia thanks all SEA members for their support including our corporate members acknowledged above.

### SEA – Australia's peak body for sustainable energy

SEA promotes the development and adoption of sustainable energy technologies and services that minimise the use of energy through sustainable energy practices, and maximise the use of energy from sustainable sources.

Particularly with regard to large-scale solar, the submission from SEA member FRV notes that:

*“Short-term support from an entity such as ARENA is essential to this deployment. There is currently a capital cost difference between Australia and other parts of the world .... This is in a large part due to a lack of experience with the technology of constructors within Australia, which is overcome with ongoing deployment of solar projects within Australia.”*

ARENA plays a major role in accelerating the shift from traditional energy to other technologies such as solar, biomass, and marine energy. This is important to transition Australia’s energy sector away from fossil fuel (which have volatile costs) to renewables (which have no fuel cost). This also helps diversify and de-risk Australia’s energy mix.

A shift to a diverse renewable future has been demonstrated to lower wholesale energy prices – an outcome that is good for consumers and the economy – and has been validated by recent reports from Roam consulting, Bloomberg, Acil Allen and others.

SEA believes that ARENA has in large part been successful due to its independent structure, and its ability to combine private and public sector staff and Board members – much of which will be lost if the Agency is abolished and existing projects returned to the Department of Industry, where there is no logical ‘home’ for ARENA’s work.

ARENA should continue as an important program to attract long-term investment to Australia, create jobs, and accelerate the transition to a clean energy future.

Yours sincerely,

Kirsten Rose  
Chief Executive

