



Senate Economics Legislation Committee

Australian Renewable Energy Agency (Repeal) Bill 2014

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Dear Senator Siewert,

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Importance of the Australian Renewable Energy Agency in delivering low cost future energy options for all Australians.

I am writing this letter as the Deputy Chair of the Clean Energy Council and as a leader in the Renewable Energy Industry with over 25 years of experience building solar businesses and establishing and running Australian Government Solar R&D and deployment programs. I would be happy to be called as a witness during your review.

Through ARENA and past Commonwealth program support, Australian technology innovation has made a substantial contribution globally to the 90% reduction in solar technology costs and the resulting growth in deployment over the past decade. Costs will continue to fall as the next wave of technology innovation moves from the lab to the factory. Whilst highly automated electronic factories compete globally to drive down the cost of solar panels, Australian IP is generating royalties to Australian institutions as volumes grow.

ARENA also supports home grown companies develop technology and meet global and local demand.

ARENA plays a vital role in supporting the deployment of renewable energy technology in areas with the greatest long term potential to lower cost. Over the last 6 months I have been in every state and territory of Australia meeting members of the investment community and energy markets and they all report the same common issue - "we can see the potential for renewable energy to be the lowest cost option in the long-term, but we cannot raise the private investment necessary without first demonstrating the application works". For example:

- Power and Water Corporation in the Northern Territory run diesel generation plants in over 50 remote communities and townships. ARENA support would show that costs can be reduced without compromising reliability. This will attract private sector investment in the longer term. It will also create local skills and employment opportu-



nities.

- Significant investment in infrastructure is required by Ergon in Queensland to meet regional and rural energy demand. There are many applications where they see the potential for renewable energy to reduce future costs – but first they need a demonstration of the technology to gain confidence in the investment decision. One example is the use of solar power generation to supply water to the cotton growing farms of South East Queensland, where priority is placed on volume over the course of a week, not flow rate at any one time. This is a natural fit to the generation profile from solar technology power generation over a typical week.
- The mining sector can see that it can become more competitive by lowering its energy costs in remote locations. But it needs to be sure that the big investments required to capture these gains will not adversely impact its operations.

In summary ARENA programmes are both leveraging Australian R&D innovation globally and reducing investment risk locally. Both ARENA attract long term investment into Australia while creating global income from the world renowned Australian innovation sector.

ARENA programmes develop and support employment in the areas Australia needs it most: rural, regional and urban areas, building new skills in a growing industry sector.

A key to ARENAs impact has been its independent structure and ability to blend private and public sector experience at staff and Board. This will be lost if the programs are returned to the Department of Industry.

It is very important that ARENA continues to be a catalyst for attracting industry and private sector investment to build a portfolio of renewable energy technologies and applications that can create options to lower the future energy costs for Australians across all areas of society.

Yours sincerely,
SMA Australia Pty Ltd

Mark Twidell
Managing Director