

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Budget Senate Estimates

1 June 2010

**Question:**                    **BR32**

**Topic:**                        **Energy funds**

**Proof Hansard Page:**   **Written**

**Senator Birmingham asked:**

1.     How much of the \$500 million Renewable Energy Fund promised by Rudd Labor at the 2007 election has been granted to develop renewable energy projects? Please provide a breakdown of all successful and unsuccessful applications.
2.     How much of the \$150 million Energy Efficiency Fund promised has been granted to help keep leading scientists and researchers in Australia? Please provide a breakdown of all successful and unsuccessful applications.

**Answer:**

**Note: All funding amounts quoted are GST exclusive.**

**Question 1:**

As announced, the 2007 election commitment of the \$500 million Renewable Energy Fund (REF) consisting of the following programs:

- \$435 million Renewable Energy Demonstration Program (REDP);
- \$50 million Geothermal Drilling Program (GDP); and
- \$15 million Second Generation Biofuels Program (Gen2 ).

In the May 2009 budget, the Government announced the \$4.5 billion Clean Energy Initiative (CEI) to fund a range of measures including the Carbon Capture and Storage Flagships Program, the Solar Flagships Program and the Australian Centre for Renewable Energy. The Government also announced that \$135 million from the REDP would be transferred to the Solar Flagships Program. In addition, the Government announced that the REDP, now \$300 million, the GDP and the Gen2 would be administered the Australian Centre for Renewable Energy (ACRE).

To date, the Government has announced or allocated the following funding:

- REDP - \$235 million for 4 projects:
  - Geodynamics Limited – \$90 million ;
  - MNGI Pty Ltd - \$62.762 million;
  - Victorian Wave Partners Pty Ltd - \$66.465 million; and
  - Hydro Tasmania - \$15.28 million.

There were 61 applications across a wide range of renewable energy technologies including 25 solar applications that were considered separately (see ACRE Solar Projects below) – 4 non solar were successful and 32 non solar were unsuccessful.

- GDP – \$49 million for 7 projects (\$7 million each)
  - MNGI Pty Ltd;
  - Panax Geothermal Ltd;
  - Hot Rock Ltd;
  - Geodynamics Limited;
  - GRE Geothermal WA1 Pty Ltd;
  - Greenearth Energy Ltd; and
  - Torrens Energy Ltd.

There were 10 applications in Round 1 and 10 in Round 2 – in total 7 were successful and 13 were unsuccessful.

- Gen 2 - \$12.6 million for 6 projects:
  - The University of Melbourne - \$1.24 million;
  - Algal Fuels Consortium - \$2.724 million;
  - Curtin University of Technology - \$2.5 million;
  - Bureau of Sugar Experiment Stations (BSES) Limited - \$1.326 million;
  - Microbiogen Pty Ltd - \$2.539 million; and
  - Licella Pty Ltd - \$2.288 million.

There were 32 applications - 7 were successful and 25 were unsuccessful. The funding offer to one successful applicant was subsequently withdrawn, due to a lack of matching funds, in accordance with the Program Guidelines.

- ACRE Solar Projects - \$92 million for two demonstration projects:
  - CS Energy Pty Ltd - \$31.8 million; and
  - N.P. Power Pty Ltd (Whyalla Solar Oasis Consortium) - \$60.0 million.

There were 25 solar technology applications - 2 were successful and 23 were unsuccessful.

The remaining funds from initial allocations will be managed by ACRE.

**Question 2:**

There is no \$150 million Energy Efficiency Fund announced by the Government. The fund that was announced was the 2007 Election Commitment: the Energy Innovation Fund (EIF). As announced, it comprised \$50 million for solar photovoltaic research and development, \$50 million for concentrating solar thermal research and development and \$50 million for a Clean Energy Program.

As part of the expanded \$5.1 billion Clean Energy Initiative, the Government combined the \$50 million for solar photovoltaic research and development, \$50 million for concentrating solar thermal research and development to establish the Australian Solar Institute (ASI) with \$100 million of EIF funds, to support solar thermal and solar photovoltaic research and development. The ASI runs as a wholly Australian Government owned not-for-profit company subject to the *Commonwealth Authorities and Companies Act 1997*(CAC Act).

The establishment of the ASI was announced by the Minister for Resources and Energy in January 2009, along with the announcement of \$15 million in funding for three Foundation Projects, supporting the development of a crystalline silicon pilot line at the University of NSW, a state of the art solar thermal tower at the CSIRO in Newcastle and a world class process and characterisation solar research facility at the Australian National University.

A total of 87 applications were received for Round 1 of the ASI solar grants program and funding of \$29.6 million has been announced for 10 projects:

- University of New South Wales - \$3.972 million;
- University of Newcastle - \$0.515 million;
- CSIRO and Australian National University - \$4.084 million;
- Australian National University - \$1.67 million;
- University of Queensland: \$0.945 million;
- University of New South Wales - \$5.0 million;
- BT Imaging Pty Ltd - \$2.25 million;
- Sapphicon Semiconductor Pty Ltd - \$2.25 million;
- CSIRO and the Australian National University - \$4.0 million; and
- Australian National University - \$4.95 million.

The above funding is in addition to the \$15 million provided to the three Foundation Projects, which commenced in 2008/09. The total funding for all 13 projects is \$44.5 million.

The Minister announced on 28 October 2009 that \$50 million of funds associated with the Clean Energy Program would be transferred to the ACRE for renewable energy technology investments.