

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Resources, Energy and Tourism Portfolio
Budget Senate Estimates
1 June 2010

Question: **BR39**
Topic: **Solar Flagships Program**
Proof Hansard Page: **Written**

Senator Birmingham asked:

1. What is the total budget for the Solar Flagships Program? Is it still a \$1.5 billion commitment (possibly including beyond the forward estimates)?
2. How many projects is this program still intended to support? What power generation capacity is this program still targeted to support?
3. Please detail all consultants engaged in relation to this program to date – name, costs, work provided, any ongoing or future role for them.
4. What is the process for the feasibility studies into the eight shortlisted projects? By whom are the feasibility studies being overseen? What, if any, funding is provided at this stage of short listing? What are the targeted power generation capacities of each of the eight shortlisted projects?

Answer¹:

1. The Solar Flagships program was announced as part of the Clean Energy Initiative (CEI) in the May 2009 Budget. As at 30 June 2001, the total budget for the Solar Flagships program is \$1.5 billion. Please note that this allocation does not include Departmental expenses on the program.
2. The Solar Flagships program is intended to support up to four projects with a target of up to 1000 megawatts (MW) of total generation capacity over two funding rounds.

¹ Unless otherwise stated, responses to BR39 are current as at 30 June 2010.

3. The details of the consultants that have been engaged in relation to the Solar Flagships program to 1 June 2010 are set out in the table below:

Consultant	Work provided on Solar Flagships	Cost to 1 June 2010 (excluding GST)	Ongoing role
Boston Consulting Group	Conduct market study and design business model	\$1,044,500.00	No
Clayton Utz	Probity Advisor	\$233,859.84	Yes
Norton Rose	Drafting of Deeds	\$40,376.49	Yes
Courage Partners	Financial Assessor	\$23,628.33	No
HLB Mann Judd (Vic)	Financial Assessor	\$69,763.70	No
McGrath Nicol Advisory Partnership	Financial Assessor	\$50,004.00	No
McLachlan Lister	Financial Assessor	\$74,573.83	No
PriceWaterhouse Coopers	Financial Assessor	\$63,724.20	No
Walter & Turnbull	Financial Assessor	\$30,916.08	No
Evans & Peck	Financial Assessor	\$441.40	No
APP Corporation	Technical Assessor	\$21,632.86	No
ARUP	Technical Assessor	\$60,960.09	No
Aurecon	Technical Assessor	\$35,801.39	No
Energetics	Technical Assessor	\$76,763.00	No
Environ Australia	Technical Assessor	\$58,987.76	No
Halcrow Pacific	Technical Assessor	\$35,479.49	No
Kema Consulting	Technical Assessor	\$68,391.09	No
URS Australia	Technical Assessor	\$34,560.00	No
Wyld Group	Technical Assessor	\$39,191.52	No
ROAM Consulting	Revenue modelling	\$33,600.00	No

The Department has also engaged Langdale Consulting and SAHA to provide advice in relation to the CEI as a whole, of which the Solar Flagships program is a part. Langdale Consulting was engaged on a non-ongoing basis and provided risk management advice on the CEI and was paid \$34,200 (excluding GST). SAHA was engaged to provide specialist corporate financial advice on the CEI. The contract with SAHA will expire on 30 June 2011 and as at 30 June 2010, no payments had been made to SAHA.

4. The eight shortlisted applicants have been invited to share equally in \$15 million of funding to prepare feasibility and design studies as part of the Stage 2 of the selection process. This is the only funding that is available to shortlisted applicants in Stage 2.
- a. Under the Feasibility and Design Studies Deed, shortlisted applicants are required to produce an interim report in early September 2010 to receive their first milestone payment. The final milestone payment will be made following submission of the applicant's Full Application. Payments to applicants will be on a reimbursement basis and based on demonstrated eligible expenditure. The Australian Government will contribute up to

50 per cent of total expenditure up to a maximum of \$1.875 million per applicant.

- b. The feasibility studies will be overseen by the Department and the Solar Flagships Council. The Department may also engage experts to verify the information that has been supplied by applicants in their feasibility and design studies.
- c. The target power generation capacities of each shortlisted project are listed below:

Shortlisted Company	Target Generation (MW)
ACCIONA	200 MW
AGL	150 - 200 MW
BP Solar	150 MW
Infigen/Suntech	150 – 195 MW
Parsons Brinckerhoff	150 MW
Transfield	150 MW
TRUenergy	180 MW
Wind Prospect CWP	250 MW