

8th December 2011

Re: CEFC Submission

To the CEFC,

Scope of the CEFC:

We support the fact that the CEFC operates on a commercial model and aims to make a positive return on investment. There are numerous grant options to explore in clean energy but a shortage of commercial partners and investors. The overall investment mandate and risk profile needs to be broad enough to capture investments into longer-term projects that might have five to ten years in development. This might be achieved with a balanced portfolio approach, however, it is the longer-term projects that face the greatest barriers to market entry. We would consider our concentrated solar power technology in this category.

To this end it is important that considerations other than immediate financial viability and energy output are taken into account. Examples might include ecological footprint, ability to support remote communities and ability to contribute significantly to future water or food security.

We would support the CEFC partnering with other organisations to deliver its objectives. Examples might include the Australian Petroleum Production & Exploration Association (APPEA) and the National Farmers Federation. This kind of partnering would facilitate a sectoral approach to providing future resilience through clean energy. The ability of technologies to contribute to key sectors might be an important investment justification. This will also assist in adaptation planning for these sectors allowing timely adjustment to changing environments and changing economic circumstances e.g. increased oil price.

The Market Gap and Overcoming It:

The investment mandate of the CEFC will in itself begin to attract private sector funds to clean energy technologies. The Australian market is small and equally opportunities for attracting investment are limited. Whilst the CEFC must develop local technologies for local application, it must also work closely with overseas nations and facilitate technology transfer to these markets.

Many clean energy technologies suffer from the long development times that

rule out most of the investment community and the lack of local sources of investment. Most current investment focuses on immediate needs and returns (low hanging fruit) rather than products that might support a more sustainable future.

Most clean energy companies need not only investment but also a strategic partner to jointly develop the technology over time. A focus on joint investments from the CEFC together with strategic partners would be an avenue well worth considering.

Working with other Government and market organisations:

Our view is that CEFC must be actively engaged with governments and market organisations. Clean energy is integral to the planning of sustainable futures and the organisation can play a significant role in developing the future vision for key sectors. Adaptation is a key element of this future vision. In particular, how we adapt to changing circumstances of reduced fossil fuel dependency and to achieving greater resilience to climate change. The CEFC will be most effective if it is in tune with this forward planning and thinking and engaging with both government and market organisations that play leading roles in these areas.

We welcome the formation of the CEFC and look forward to engaging further.

Yours faithfully

A handwritten signature in black ink, appearing to read 'J. Ridley', with a long horizontal flourish extending to the right.

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