



AUSTRALIA

Australia is poised for important growth in the clean energy sector. By adopting enhanced clean energy policies, the country could increase clean energy investments by 325 percent to just over \$4 billion dollars in 2020. Wind energy investments in all scenarios are expected to grow significantly over 2010 levels. In the enhanced policy scenario, the cumulative investment potential in Australia from 2010 to 2020 is projected as \$35 billion, which would leverage installation of 19 GW of renewable energy generating capacity.

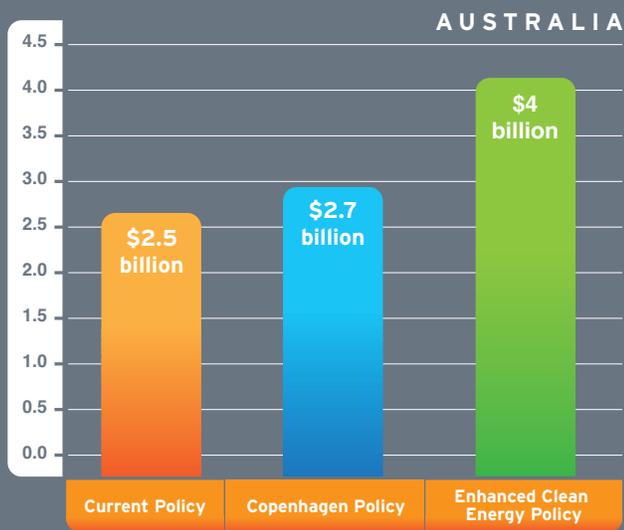
The government of Australia has adopted a mandate to source 20 percent of its electricity from renewables by 2020. It has begun to climb toward that target with 1.9 GW of wind installed by the end of 2009 and plans for more. The country has also set aside \$1.5 billion for a 1 GW solar program and has committed roughly \$2.5 billion for various carbon capture programs. The majority of Australia's states also offer small-scale solar feed-in tariffs but nothing is yet available at the federal level.

The country's renewable electricity standard (RES) is the key driver for renewable energy development but the government has been unable to agree on complementary national programs needed to further provide incentives for development. The government has delayed until the end of 2011 consideration of options

for putting a price on carbon, which would help make renewables more attractive. The country committed to reducing emissions by at least 5 percent below 2000 levels by 2020 in its Copenhagen pledge and said it would commit to as much as 25 percent below 2000 levels if other nations adopted aggressive targets. Australia is also considering an extension of a biofuels tax incentive program slated to expire in July 2011.

Given the country's hopes for wind, solar and carbon capture and sequestration (CCS) in its energy future, more dramatic steps may be considered. Besides putting a price on carbon, Australia could place a moratorium on conventional coal plants and relax subsidies for fossil fuel energy production to further fund its CCS programs. Meanwhile, the government might establish a national small-scale solar feed-in tariff program based on the existing state programs, and undertake transmission and smart grid programs to better integrate distributed energy across its large landmass. To further boost its wind and solar sectors, the government could direct funds toward venture capital programs to foster technology development. Finally, the biofuels tax credit will lead to significant new development only if it is paired with more a stringent renewable fuels standard.

FIGURE 27. INVESTMENT IN RENEWABLE ENERGY ASSETS, 2020 (BILLIONS OF \$)



| NATIONAL CLEAN ENERGY POLICIES | |
|--------------------------------|---|
| Carbon Cap | |
| Carbon Market | |
| Renewable Energy Standard | ✓ |
| Clean Energy Tax Incentives | ✓ |
| Auto Efficiency Standards | ✓ |
| Feed-in Tariffs | ✓ |
| Government Procurement | |
| Green Bonds | |

| FINANCE AND INVESTMENT (2009)* | |
|--------------------------------|-------------|
| Total Investment | \$1 billion |
| G-20 Investment Rank | 14 |
| Percentage of G-20 Total | 0.9% |
| 5-Year Growth Rate | 62.5% |

| INSTALLED CLEAN ENERGY (2009) | |
|----------------------------------|----------|
| Total Installed Renewable Energy | 3.3 GW |
| Total Power Capacity | 3.1% |
| Percentage of G-20 Total | 1.2% |
| 5-Year Growth Rate | 40.0% |
| Key Renewable Energy Sectors | |
| Wind | 1,900 MW |
| Biomass | 280 MW |

| KEY CLEAN ENERGY TARGETS (2020) | |
|---------------------------------|--------------------------|
| Renewable Energy | 20% of total consumption |
| Solar | 1,000 MW |

| KEY INVESTMENT INCENTIVES | |
|---------------------------|------------------------------------------------------------------|
| Solar | Generation-based subsidies |
| Renewable Energy | Equity Fund—venture capital for small renewable energy companies |

*Includes investments in venture capital and public markets, and asset finance for all clean energy technologies including biofuels and energy efficiency.