

Newsletter

July 2014

CLEAN ENERGY CORPORATION AUSTRALIA

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ACT

With much focus on recent Government events such as the scrutiny over the RET and the axing of the carbon tax – we look into how the government's decisions affect us – who the winners and losers will be – and the characters that determined the outcome.

Our younger generation are extremely environmentally aware and are consistently the most up-to-date about changes and trends of renewable energy. Two primary schools in the ACT are showcasing new solar power systems and the accompanying benefits to their students and Clean Energy Corporation Australia were fortunate enough to help construct the systems.

Clean Energy Corporation Australia has committed to building solar farms throughout Southern NSW which it will design, construct, operate and own.



Contributed By
Schuyler Matteson

Carbon Tax Repeal

The winners and losers

In recent days, the Australian government has seen fit to abolish one of the world's most progressive policies to combat climate change. The reversal sends a signal that Australia has decided to step back from stringent climate policy while the rest of the world looks to strengthen its stance against global warming.

The carbon tax levied by the Australian government set a fixed price per ton for carbon emissions, initiating an economically efficient carbon-trading scheme, similar to those enacted by the European Union. The methods are well documented, not only in the economic and scientific literature, but also by Australia's past environmental policies, such as those policies that successfully reduced pollution from sulfur dioxide, nitrous oxide, and chlorofluorocarbons.

Pricing carbon provided an economic incentive for high-volume polluters to take advantage of new technologies and operational strategies that would help mitigate their environmental impact and reduce the cost of the tax to the organization. Repealing the tax now allows Australian businesses to return to a their reactionary state, waiting for other nations to take action.

The current government wished for the tax to be abolished in order to save households and businesses money on their energy bills in the short term, and to fulfill past promises of action against the tax, betting that the rest of the world will remain stagnant or inactive in the realm of climate change policy. However, this action clearly moves in a direction that is opposite to that of the rest of the world's industrialized nations. Strategies underway in the EU, and under development in the U.S. clearly show a global movement to take economic action to mitigate climate change. This action by the current government would seem to move the country years into the past relative to its global counterparts.

Early in the week the bill to repeal the carbon tax was passed in the house, and after initial defeat in the Senate, the bill was approved, being passed into law, and ending Australia's carbon tax. Tony Abbott has voiced his disapproval for years, and garnered the support of groups from high-emitting industries such as the Mining Council, mounting a large and ultimately successful campaign against to do away with the

country's carbon mitigation strategy.

The winners of the impending repeal are those companies that emit the most carbon. A repeal of the bill allows them to return to business as usual, emitting as much carbon as they feel necessary to maintain their profit margins. On a much smaller scale, households and small businesses may also experience short-term savings on their energy bills, assuming electricity and fuel prices recover to lower levels at speed and maintain those levels for extended time periods. This may not be a likely scenario, since natural gas prices have nearly tripled over the past two years, including a spike of 380% within that time frame. If these increases continue, if coal prices increase, and especially if other nations take action on climate change, the expected savings will drop dramatically or even reverse.

The immediate losers in this new model are renewable energy companies, who now have one less lever to support the growing

industry. Investment in net zero emission power sources, such as solar power, will now be less economical for high-pollution companies slowing their investment in one of the world's fastest growing industries, since the removal of this carbon reduction incentive once again makes it economical for large companies to emit more carbon. There are no longer any strict incentives for executives to search for new technologies and strategies to improve environmental performance and reduce climate impacts. High-risk regions around the globe also lose in this new state of affairs, since climate mitigation strategies in Australia are no longer a priority.

The most dramatic effect to be expected from this reversal in the long-term is the precedent this sets for the rest of the world's nations. Whether the nation is progressive on climate change or otherwise, the Australian situation furthers the

notion that, despite economic verification from past experience, and the success of other such programs around the globe, a carbon tax cannot succeed in current conditions.

Along these lines, some of the opposition may believe that it is better to repeal the tax and wait for major trading partners such as the U.S. to join a larger carbon market. However, the unfortunate situation that has arisen provides ammunition to those in the U.S. who oppose the carbon tax. Australia now serves as an example for those who argue against economic action to mitigate climate change. The repeal of the Act makes any future successful carbon strategy less likely to succeed. What once stood as a model for the world, now serves as an argument against the very purpose it hoped to achieve.

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Power Purchase Agreements

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To learn more about our Power Purchase Agreements, contact us on 1300 510 169.



Recent Projects

Neville Bonner Primary School
Bonner ACT

Miles Franklin Primary School
Evatt ACT

Clean Energy Corporation Australia recently completed the design and construction of two separate 70 kW solar PV systems

at primary schools located at Bonner and Evatt, ACT.

The construction of the solar systems formed part of new upgrades and construction at the schools.

Each of the systems consists of over 450sqm of solar panels and will produce approximately 110,000kWh per year which is equivalent to 75,851kgs of carbon dioxide or the same as driving a car 290,642km per year.

Pipeline – Clean Energy Corporation Australia to design, construct, maintain and own 10MW solar generation assets

By James Cronan

Clean Energy Corporation Australia through its solar farm holding vehicle proposes to develop, own and operate 10MW of solar generating assets to be deployed throughout Southern NSW.

The concept will be realized through partnerships with rural farm owners and operators and will see Clean Energy Corporation Australia licence exclusive use of the rooftops of rural farm buildings which would be constructed by Clean Energy Corporation Australia. The farm operators will be granted exclusive use of the new buildings excluding the rooftops whilst Clean Energy Corporation Australia owns and operates the solar power generating assets.

The solar farms will generate over 15 gigawatt hours per year which is enough electricity to power 1,423 homes per year.



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