

# Energy companies call on MPs to save Australia's renewables agency funding

AGL, GE and Tesla join 21 other companies in open letter calling for the \$1.3bn planned cut to the Australian Renewable Energy Agency to be dropped

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Some of Australia's best-known energy companies including AGL, GE and Tesla, have joined calls to halt plans to cut \$1.3bn from the Australian Renewable Energy Agency.

The 24 companies signed an open letter to parliamentarians released by the Clean Energy Council.

The Coalition has introduced its "omnibus" savings bill, which wraps up savings that both major parties claimed in their election costings. It includes a \$1.3bn cut to Arena, which removes its future grant-making ability, essentially abolishing the agency.

"The implications of substantial cuts to Arena would be profound," the signatories said in the letter released on Thursday.

Businesses have only recently regained confidence to invest in renewable energy, they said, following the "challenging period of political instability and policy change".

"Investment is flooding back into the sector as stability returns and the fundamentals of clean energy investment start to shine through," they wrote.

"Investment confidence would be again undermined if one of the first moves of the new parliament is to cut funding to Australia's key clean energy agency. This would damage Australia's reputation and unsettle investors, again. The supply chains and skills that have been established could be lost and would be very difficult and expensive to redevelop again in the future."

"Clean energy is one of Australia's best opportunities for jobs, growth and innovation. Arena's ability to deliver new grant programs is at risk with legislation before the Australian parliament that would substantially cut its future funding. While we respect the fiscal challenges facing the government and the nation, we believe that cutting Arena's budget would be shortsighted."

The signatories include AGL, GE, Tesla, engineering company ABB, Vestas, Goldwind, Pacific Hydro, Suntrix, Conergy, First Solar and Infigen Energy.

Kane Thornton, chief executive of the Clean Energy Council, said the grant funding from Arena had helped bring down the cost of renewable energy and storage, and leveraged hundreds of millions of dollars in private investment.

"Hundreds of projects have been funded to date, and hundreds more are needed if we are to transform Australia's energy system at the lowest possible cost to consumers," Thornton said.

The Guardian revealed last week the threat of cuts to Arena has already caused at least two renewable energy projects to be suspended - one in New South Wales and one in Western Australia.

Analysis from the Australian Conservation Foundation suggested the cuts threatened more than 5,100 jobs, with a majority of those in Queensland.

The open letter follows another from 190 solar researchers, calling on all political parties to support Arena. "If Arena is debilitated then hundreds of people would lose their jobs within a year or two," the researchers said.

"In the longer term, Australia's leadership in solar energy would vanish. This would be completely at odds with the government's innovation agenda and its commitment at the Paris climate conference..."

Although Labor accepted the cuts to Arena, and banked the savings in its election costings, it has indicated it might oppose the measure since it does not include an extra \$300m for renewable energy projects that Labor also took to the election.

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