

## The Future must remain Renewable – support ARENA & CEFC

August 2020

*We speak at a time when the knowledge, renewable energy and energy efficiency technologies, sustainable farming methods and consumption patterns exist for rapid transformation of those activities driving climate change. Yet, instead of sufficient action, we see a growing number of leaders in governments and businesses, particularly in the fossil fuel and industrial agriculture sectors, laying the groundwork for future support of various forms of climate engineering. These ‘technical fixes’ remain unproven at scale, present a profound moral hazard, and will create a host of unintended consequences leading to additional social and environmental damage.*

Part of an Interfaith statement signed by the World Council of Churches and the Pacific Council of Churches 10 December 2019.

The scientific evidence is that climate change is already causing harm to the lives of hundreds of millions of people across the globe. Climate change will cause increased extreme weather events (floods, droughts, heat waves), rising sea levels and loss of food production. The latest analysis by the Intergovernmental Panel on Climate Change (IPCC) makes a case for governments, businesses and communities taking effective collective action to limit greenhouse gas emissions to constrain the global average temperature increase to 1.5°C.



The Commonwealth Government funded Clean Energy Finance Corporation (CEFC) and the Australian Renewable Energy Agency (ARENA) have been at the heart of Australia’s research, development and deployment of renewable energy technologies. ARENA invested \$1.58 billion in 538 renewable energy projects in 2019. The CEFC provided \$7.2 billion in finance to renewable energy projects in 2019.

### THE ISSUE – Funding Carbon Capture and Storage prolongs the use of fossil fuels

The Minister for Energy and Emissions Reduction asked a panel of people they selected on how to incentivise low-cost emission reduction opportunities from across the economy. The panel was asked to focus on the industrial, manufacturing, transport and agriculture sectors, and energy efficiency. The members of the panel were:

- Grant King, chair of the panel and a former fossil fuel corporate executive;
- Susie Smith, who previously worked for the gas corporation Santos;
- David Parker, chair of the Clean Energy Regulator; and
- Professor Andrew Macintosh, the Director of Research at the Australian National University Law School, Chair of the Emissions Reduction Assurance Committee, and a director of the Sydney Desalination Plant and Paraway Pastoral Company.

The panel made 26 recommendations. **One of their recommendations was that funds from the CEFC and ARENA be made available to fund carbon capture and storage for fossil fuel corporations.** Carbon capture and storage means trying to catch greenhouse gas emissions and store them, such as sealing them in underground caves. The Government has indicated its support for the recommendation. We are deeply concerned that the recommendation will divert funds away from supporting the transition to renewable energy, to prop up fossil fuel corporations. Fossil fuel businesses already make vast profits and should be required to fund their own development of technologies to reduce their greenhouse gas emissions.



Further, renewable energy technologies are reliable and provide certainty of greenhouse gas emission reduction. Carbon capture and storage is an unproven technology. That means there is no guarantee it will be effective at reducing greenhouse gas emissions to the extent needed. For example, with the Gorgon gas project in Western Australia attempted to implement carbon capture and storage with its operations. The project was three years behind schedule in becoming operational. It will only capture 40% of the greenhouse gas emissions from the Gorgon project. That will leave substantial emissions to be released into the atmosphere to contribute to climate change. The failure of the carbon capture and storage project at Gorgon was responsible for half of Australia's increase in greenhouse gas emissions.

### **THE SOLUTION – Prevent the law from changing**

Currently, the CEFC is prohibited by law from funding carbon capture and storage projects. That means the Government will need to change the law to allow the CEFC to fund such projects. **Our opportunity is to persuade the Opposition parties in the Parliament to oppose the changes in legislation that would divert CEFC and ARENA funds away from renewable energy projects to the benefit of fossil fuel corporations.** The Greens will resist the change. Also, Labor leader, Anthony Albanese told the National Press Club on 24 June 2020: “We won't agree that renewable energy agencies like ARENA and the Clean Energy Finance Corporation should have their funds for renewables raided in order to invest in carbon capture technology.”

### **What You Can Do**

Write polite and respectful letters to:

**Senator Rex Patrick**

PO Box 6100  
Senate  
Parliament House  
Canberra ACT 2600

Salutation: Dear Senator Patrick

**Senator Stirling Griff**

PO Box 6100  
Senate  
Parliament House  
Canberra ACT 2600

Salutation: Dear Senator Griff

**Senator Jacqui Lambie**

PO Box 6100  
Senate  
Parliament House  
Canberra ACT 2600

Salutation: Dear Senator Lambie

### **Points to make in your letters:**

- Express deep concern that the Government will seek to change the law so that funds from the Clean Energy Finance Corporation and the Australian Renewable Energy Agency are diverted to carbon capture and storage.
- Ask that they commit to opposing such a change when it comes to the Parliament.
- State that we need to rapidly transition to renewable energy and phase out dependence on fossil fuels.
- Point out that carbon capture and storage is an unproven technology.
- Further, note that most fossil fuel corporations make large profits and aggressively dodge paying tax in Australia. If they wish to develop carbon capture and storage technology, they should fund it entirely themselves.
- Express concern for investment in the gas industry as a post-COVID recovery strategy and highlight that renewable energy is the way forward.