



IEA Bioenergy
Technology Collaboration Programme



Australia Task 42 Update

Progress and changes to CEFC and ARENA

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Investment rules for the CEFC have changed

- In September 2020, the Australian Federal Government announced changes to the investment rules for ARENA and the CEFC
- A funding boost of A\$1.9B has been committed for ARENA and the CEFC
- The CEFC investment rules have been expanded to include carbon capture and storage, hydrogen, soil carbon and green steel
- The CEFC can now also invest in low-emissions projects - so long as they produce less than half the current emissions of the current electricity grid
- There appears potential for the CEFC to fund new coal projects - so long as they reduce the grid CO2 emissions by 50%
- A move away from solar and wind as these are now considered economic and not needing additional Government support

ARENA funding has been boosted

- ARENA to receive A\$1.62B of which A\$1.43B will be baseline funding over 10 years with potential to be supplemented through a portion of the A\$2B Climate Solutions Fund
- ARENA focus to also be expanded to include technologies that reduce emissions in agriculture, manufacturing, industry and transport

Some specific funding areas include:

- A\$95.4M for a Technology Co-Investment Fund
- A\$70.2M to fund a hydrogen export hub
- A\$74.5M for regional communities to take advantage of opportunities offered by hydrogen, electric and bio-fuelled vehicles - Future Fuels Fund

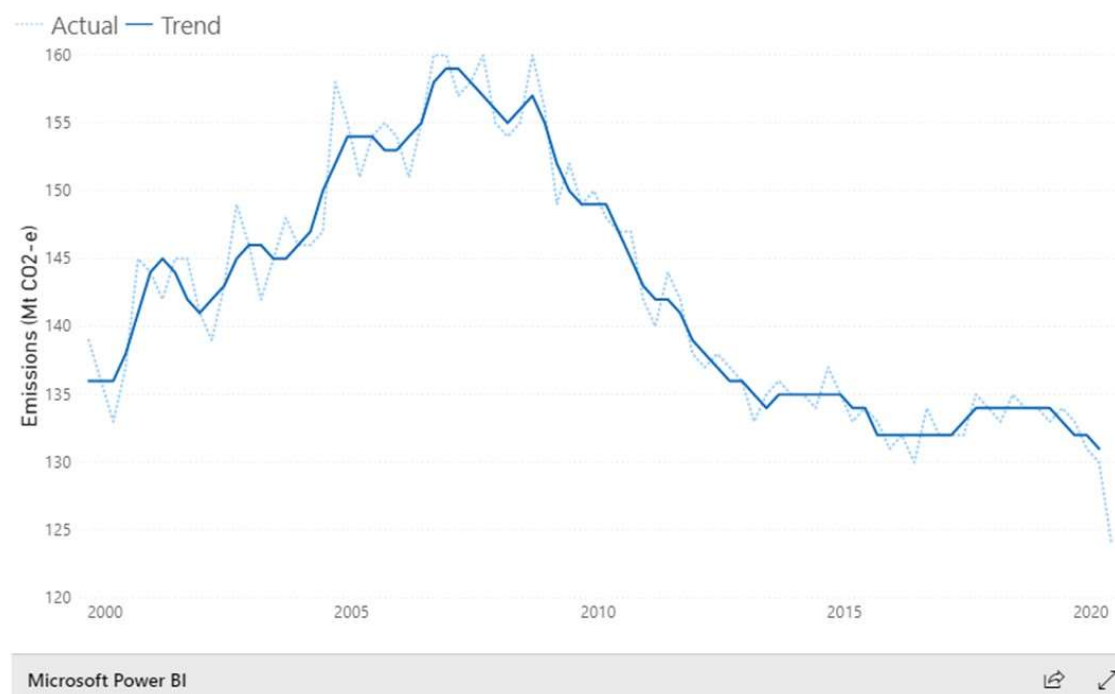
Future Fuels Fund in perspective

- The Federal Government to invest A\$211M in building new domestic fuel storage and to back local refineries to help them stay open
- Investing approximately A\$200M to build an additional 780ML of onshore diesel storage
- Entering into a detailed market design process for a refinery production payment
- The Future Fuels Fund of A\$74.5M is to be divided up between hydrogen, electric and biofuels

Australia CO2 emissions decline sharply with Covid-19

Australia's CO2 emissions decline - driven by Covid and carbon price

- Peak emissions were in 2008
- Steep decline in emissions when a carbon price was in place
- Since 2014, emissions have been relatively flat despite huge take-up in domestic solar
- Covid-19 is significantly lowering emissions, however, there may be a rebound once the pandemic is over



Source: Department of Industry, Science, Energy and Resources

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