

AGEA

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Australian
Geothermal
Energy
Association (Inc)

Garnaut Climate Change Review
Level 2, 1 Treasury Place
Melbourne VIC 3002

11 April 2008

SUBMISSION TO THE GARNAUT REVIEW: ACCELERATING THE DEPLOYMENT OF GEOTHERMAL ENERGY

The Australian Geothermal Energy Association (AGEA) represents the major Australian geothermal energy exploration and development companies.

The Australian Geothermal Energy Group (AGEG) representing a wider geothermal community, including academics and government in addition to the geothermal energy companies, lodged a submission to the Garnaut Climate Change Review on 4th April 2008. That submission provided a good overview of the Australian geothermal industry and its direction. AGEA supports the general thrust of the AGEG submission. As an industry association however AGEA's focus is on energy, climate change and industry policy.

In February 2008 AGEA was asked by Resources, Energy and Tourism Minister The Hon Martin Ferguson MP to provide the geothermal industry's desired approach for the allocation of the proposed \$50 million Geothermal Energy Drilling Fund and the \$500 million Renewable Energy Fund. AGEA's position on the two proposed funds, as presented to the Minister and the Department of Resources, Energy and Tourism, is set out in the attached documents.

AGEA is now working on the development of a geothermal industry position for:

- The 20% Renewable Energy Target
- An Emissions Trading Scheme including
- An Innovation Fund associated with the proceeds from the sale of emission certificates

To provide the background and data to develop and support AGEA's position in relation to the above, AGEA has commissioned McLennan Magasanik Associates (MMA) to work with the Australian geothermal industry to determine the quantity and cost of electricity generation from geothermal energy that can realistically be expected to be delivered into the national market by 2020 under current policy settings and to identify the level of policy support required to accelerate this activity. The study is being based on the development plans of the 33 geothermal energy companies holding geothermal exploration licences in Australia.

AGEA is very keen to work with the Garnaut Climate Change Review team to share this information as it is developed. The work is currently underway with workshops being held around the country with the companies this month. A copy of the scope of works for this study is also attached and the work is due to be completed by the end of May.

AGEA appreciates the opportunity to contribute to the important work of the Review. Should the Review team require any further information, I can be contacted on 00419833556 or 08 82707227 or at jeanes@senet.com.au.

Yours sincerely

A handwritten signature in blue ink that reads "Susan Jeanes". The signature is written in a cursive, flowing style.

Susan Jeanes
Chief Executive