



## CLEAN ENERGY PACKAGE

### AUSTRALIAN RENEWABLE ENERGY AGENCY – ARENA

The Government will establish ARENA as a new agency in the Department of Resources, Energy and Tourism portfolio that will incorporate initiatives previously administered separately through a range of bodies, including the Australian Centre for Renewable Energy (ACRE), the Australian Solar Institute (ASI) and the Department of Resources, Energy and Tourism.

#### **Governance**

ARENA will have an independent, decision making Board appointed by the Minister for Resources and Energy, and will also have a CEO appointed by the Minister for Resources and Energy on the recommendation of the ARENA Board. ARENA's role will be to allocate funding to renewable energy and enabling technology projects. The Department of Resources, Energy and Tourism will provide administrative support to ARENA.

The Government will make final decisions on the details of ARENA's governance before the end of 2011.

The establishment of ARENA will not delay the delivery of existing initiatives, and the *Renewable Energy Venture Capital Fund* application process will continue, as will the roll out of the *Emerging Renewables Program*, while the ASI will continue to deliver its existing programs. Upon its establishment, ARENA will then take over responsibility for these initiatives.

#### **Funding**

ARENA will manage \$3.2 billion in renewable energy investment to promote the research and development (R&D), demonstration, commercialisation and deployment of renewable energy projects to improve the sector's competitiveness.

Around \$1.7 billion in uncommitted funding from the range of consolidated programs will be available for the ARENA Board to invest in new renewable energy projects – such as large scale solar, geothermal, ocean, and including projects that potentially involve renewable energy-related transmission infrastructure investments – between now and 2020. This funding will be allocated in accordance with a funding strategy developed by the ARENA Board.

#### **Scope**

ARENA will fund projects that will help increase the deployment of renewable energy and drive down its costs in an Australian context. It will complement the new *Clean Energy Finance Corporation*. ARENA will oversee existing Government support from the following initiatives, and will have responsibility for managing the unallocated funds from these initiatives:

- Solar Flagships Program
- Australian Solar Institute
- Low Emissions Technology Demonstration Fund (Solar)
- Renewable Energy Demonstration Program
- ACRE Solar Projects
- Renewable Energy Venture Capital Fund
- Australian Biofuels Research Institute (ABRI)
- Emerging Renewables Program
- Geothermal Drilling Program
- Second Generation Biofuels Research and Development Program
- Connecting Renewables Initiative<sup>1</sup>

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<sup>1</sup> ARENA will only administer the unallocated Connecting Renewables funding, and responsibility for managing the existing conditional commitment associated with this program will remain with the Department of Resources, Energy and Tourism.