

Turnbull Government taking strong new approach to clean and renewable energy innovation in Australia

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The Australian Government is establishing a \$1 billion Clean Energy Innovation Fund to support emerging technologies make the leap from demonstration to commercial deployment.

This will drive innovation and create the jobs of the future, while delivering a financial benefit from the investment of public money.

The \$1 billion Clean Energy Innovation Fund will be jointly managed by the Clean Energy Finance Corporation (CEFC) and the Australian Renewable Energy Agency (ARENA), drawing on their complementary experience and expertise. It will provide both debt and equity for clean energy projects.

The Government will retain and reinvigorate the Clean Energy Finance Corporation and the Australian Renewable Energy Agency as part of our strong commitment to supporting jobs and innovation through investment in clean and renewable energy in Australia.

The refocused agencies will work together to provide capital investment in Australian businesses and emerging clean energy technologies.

We are promoting innovation and new economic opportunities, enhancing our productivity, protecting our environment and reducing emissions to tackle climate change.

An example of a project could be a large scale solar facility with storage in Port Augusta.

By offering innovative equity and debt products, the Clean Energy Innovation Fund can accelerate the availability of new technologies to transform the energy market, and deliver better value for taxpayers.

There is growing maturity in the clean energy market, but early stage clean energy projects can have trouble growing to the size and maturity needed to attract private equity. We will help plug this investment gap.

The Clean Energy Innovation Fund will target projects such as large-scale solar with storage, off-shore energy, biofuels and smart grids.

Clean energy is central to the Government's strategy to address climate change and meet our emissions reduction targets.

We are committed to supporting the development, demonstration and deployment of renewable technologies – which will help transition Australia's energy sector to low emissions over the course of the century.

ARENA will continue to manage its existing portfolio of grants and deliver the announced \$100 million large-scale solar round, and will be given an expanded focus beyond renewable energy to enable energy efficiency and low emissions technology.

This will provide greater alignment with the CEFC and ensure that ARENA is able to support the full spectrum of emerging clean energy technology options.

Once the \$100 million large-scale solar round is complete, ARENA will move from a grant based role to predominantly a debt and equity basis under the Clean Energy Innovation Fund.

The \$1 billion Clean Energy Innovation Fund will be established from within the CEFC's \$10 billion allocation. This Fund will make available \$100 million a year for ten years.

The changes announced work hand in hand with the Emissions Reduction Fund, the Renewable Energy Target, the National Energy Productivity Plan and our broader support for clean energy to reduce emissions and drive productivity across the energy sector.

Our strong suite of climate change policies will work to achieve our commitment to reduce emissions by 26 to 28 per cent by 2030. This target is ambitious but achievable.