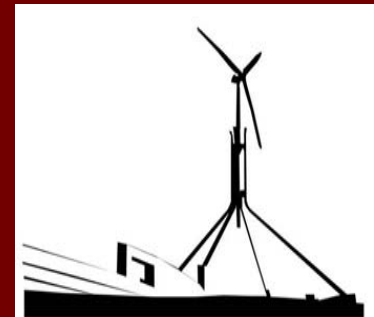


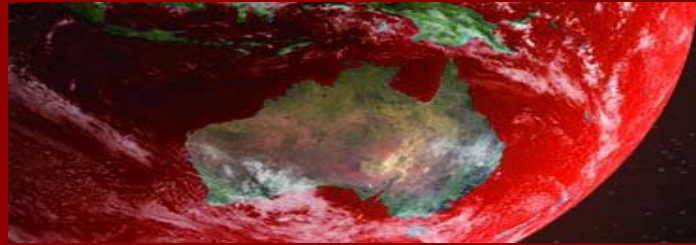
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FINANCING THE TRANSITION

Bold Statement:

Energy efficiency gains of 30% are realistic across the residential and commercial sectors, with minor behaviour change and payback periods of 5 years (ave.) using **existing** technologies.



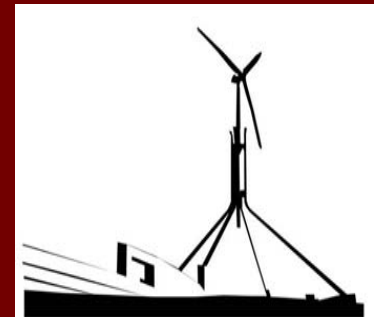


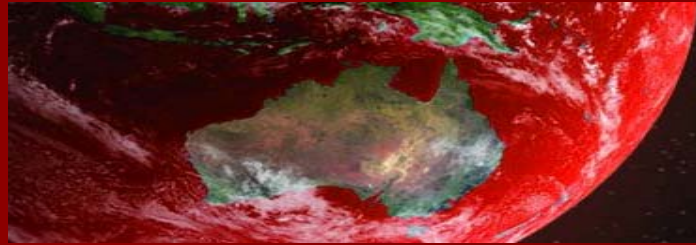
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Example:

Rosary Primary School lighting upgrade:
Energy savings of around 25% gave 35%
return on capital (<3 yr payback) and
abatement cost of \$25/tonne.

Fully funded 100% green electricity.

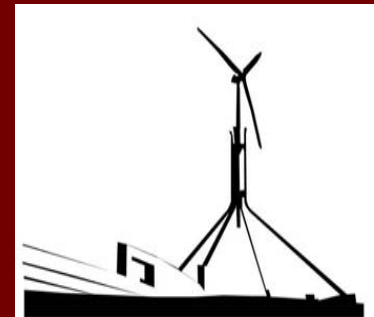


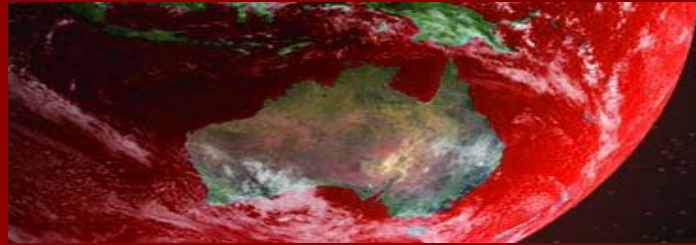


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More examples:

- My house!
2002 av. 19kWh/day,
2008 av. 13kWh/day.
- After SHW install, expect av. 5-6kWh/d

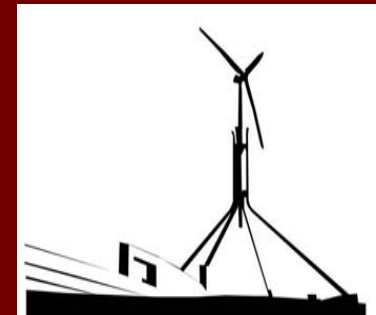


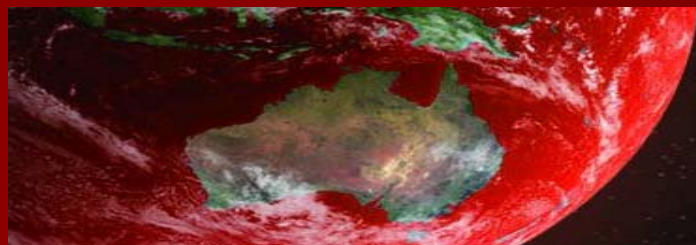


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More examples:

- Friends house – new fridge = >50% saving
- Electrical Retailer in Sydney replaced halogens – >70% saving due to decreased pressure on air conditioning
- other unimproved commercial premises easy 30% saving from lighting upgrade



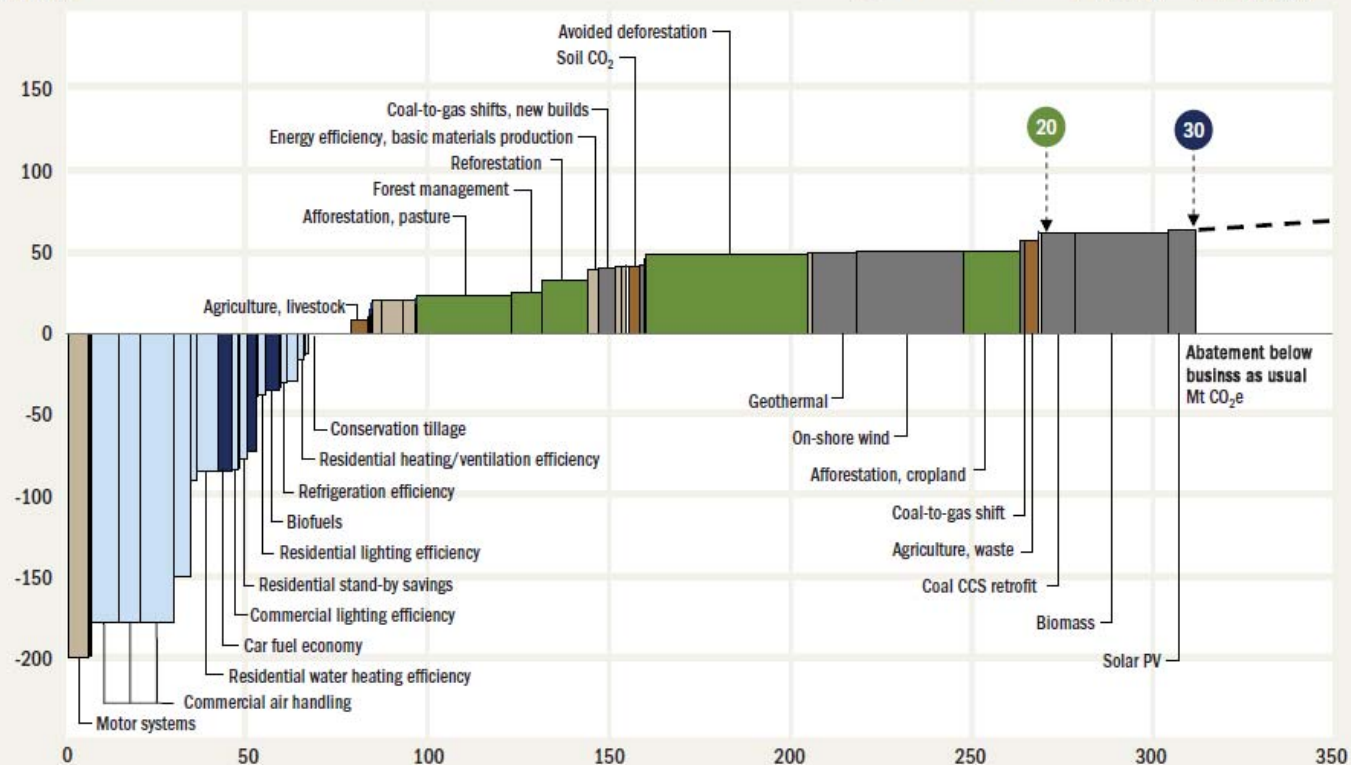


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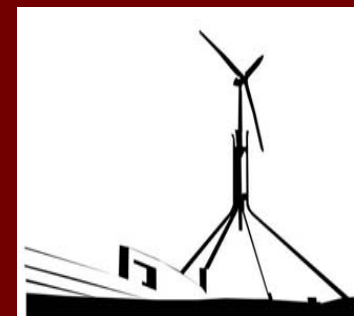
Australian 2020 carbon abatement cost curve

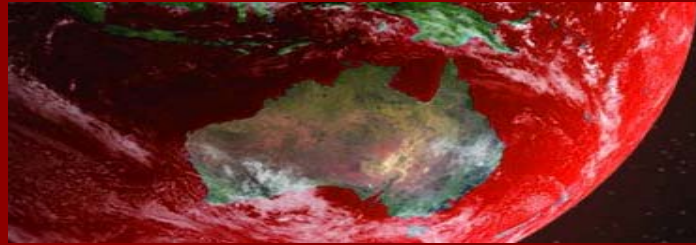
Cost of abatement
A\$/t CO₂e

- x Reduction below 1990 levels, percent
- Break-even point
- Industry
- Buildings
- Power
- Transport
- Forestry
- Agriculture



Note: Abatement opportunities are not additive to those of previous years
Source: McKinsey Australia Climate Change Initiative

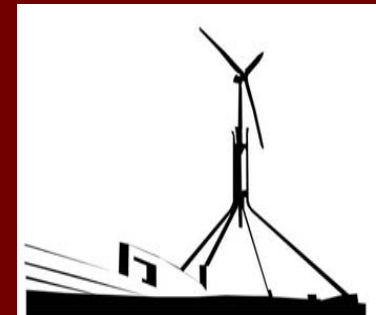


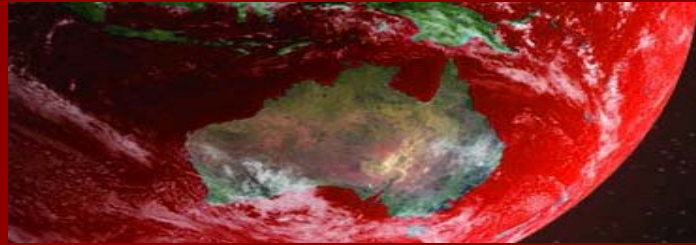


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Relative cost of initiatives (carbon abated):

- Feed in Tariff - \$500/tonne
- Purchase Greenpower - \$60/tonne
- Energy Efficiency - \$20-40/tonne for 'low hanging fruit'

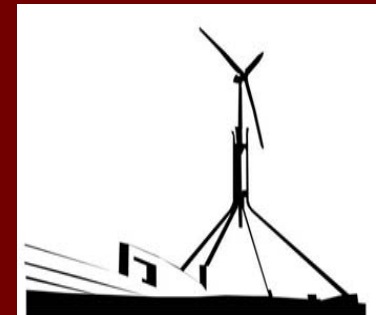


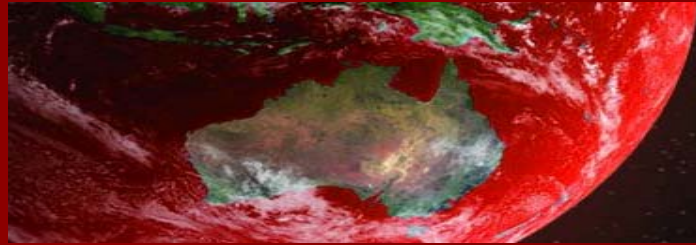


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Possible Mechanisms

- New NSW Energy Saving Scheme, with strong targets and decent cost of ESC's
- Utility Energy Efficiency dividend
- Mandatory Renewable Energy Target
- Stage 2 of FiT to cover big wind and solar





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Good News:

Electricity retail margins should still be maintained, because higher profits from renewables, and future cost of carbon avoided.

Alternative – people over-invest in rooftop PV, utilities end up just servicing poles & reading meters.

