



Media Release

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Project proposals show shrinking cost of big solar

The latest step in an ARENA program to support the construction of large-scale solar photovoltaic (PV) plants in Australia has shown how quickly the cost of building new plants is falling as momentum in the sector builds.

The Australian Renewable Energy Agency's (ARENA) large-scale solar PV competitive funding round closed last week, receiving 20 eligible applications. The proposals are seeking \$211 million funding towards \$1.6 billion worth of projects with 757 MWs of total capacity.

ARENA CEO Ivor Frischknecht said ARENA had supported Australia's first large-scale solar PV projects and was now spurring on the next generation of plants.

"ARENA is playing a vital role providing bridge funding for projects that will make large-scale solar PV more competitive by increasing confidence and building supply chains," Mr Frischknecht said.

"Our funding round has already reduced costs through competitive tension and encouraged a portfolio of new Australian solar plants to proceed to more advanced stages of planning and development.

"Moree Solar Farm and AGL's Nyngan and Broken Hill plants needed around \$1.60 in ARENA funding per watt. The funding requirement for new projects fell to 43 cents per watt in the expression-of-interest phase of our funding round in November last year.

"The need fell again by more than a third to an average of 28 cents per watt in the full applications. This clearly demonstrates how quickly large-scale solar PV costs are falling supported by ARENA funding, which has resulted in rising confidence, lower finance costs and a more supportive market for power purchase agreements."

Mr Frischknecht emphasised that despite these impressive cost reductions, substantial commercial hurdles remained for the development of large-scale solar PV projects.

"Doing something the first few times is always harder and more expensive, and building large-scale solar PV plants is no exception," Mr Frischknecht said.

"We arranged a knowledge sharing forum for existing ARENA-supported developers to pass on their experience to the new shortlisted developers, fostering collaboration, sharing solutions to common problems and advancing the industry as a whole.

"And growth in the local large-scale solar PV sector will provide a significant boost for Australia's regional economy, with our competitive funding round estimated to create upwards of 1000 new jobs in construction, manufacturing and civil engineering."

ARENA has worked closely with State Governments and the Clean Energy Finance Corporation, which will be providing debt financing, in developing this funding round.

Detailed due diligence and merit assessment analysis of the 20 applications is now being undertaken. ARENA expects to announce the successful projects in September this year.

About ARENA

ARENA was established by the Australian Government to make renewable energy technologies more affordable and increase the supply of renewable energy in Australia. Through the provision of funding coupled with deep commercial and technical expertise, ARENA provides the support needed to accelerate the development of promising new solutions towards commercialisation. ARENA invests in renewable energy projects across the innovation chain and is committed to sharing knowledge and lessons learned from its portfolio of projects and information about renewable energy. ARENA always looks for at least matched funding from the projects it supports and to date has committed \$1.1 billion in funding to more than 250 projects. For more information, visit www.arena.gov.au.