

# Mediaportal Report

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► **CLEANTECH NEWS ROUNDUP**

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# CLEANTECH NEWS ROUNDUP

## ENERGY MARKET REFORMS MAKE CLEAN POWER LESS REMOTE

Federal and state governments have backed changes to energy market rules in order to more efficiently bring remote-location, clean electricity sources on line.

The Australian Energy Market Commission had reviewed if market rules needed reform to handle new policies aimed at cleaning up Australia's biggest carbon-emissions source: its coal and gas-reliant electricity sector.

Its key recommendation, which a 4 December meeting of energy ministers adopted, is that a new framework be added to ensure the efficient connection of generation to distribution and transmission networks where a number of generators in the same area will seek connection.

Developers of renewable energy generation projects, such as solar and geothermal energy plants, which often are in remote locations, will benefit from the new policy on scale-efficient network extensions (SENEs).

Generators will be required to pay a cost-reflective charge based on their contracted capacity and should all generators connect as forecast, the asset will be fully funded by generators.

However, customers will be exposed to the costs of the network extension if

generators arrive late or do not materialize. Customers also receive payments if generators arrive early or beat forecasts.

The AEMC said without these changes, network service providers would have no commercial incentive to build efficiently scaled connection assets and the costs to customers of meeting the Carbon Pollution Reduction Scheme and expanded renewable energy target would be higher because network connections would not be built to efficient scale, would be delayed or abandoned.

The market regulator, AEMO, will also take on a new role of identifying locations where big scale efficiencies emerge from building SENE extensions.

## SOLAR GOES NUCLEAR

In a much-anticipated move, Australia-founded US-based solar energy equipment developer Ausra announced it had sold itself to French nuclear energy company AREVA.

Reports had surfaced before Christmas that the company founded by Australian Dr David Mills was up for sale, unable to raise capital in a rapidly consolidating sector.

Ausra is a provider of large-scale concentrated solar power (CSP) solutions for electricity generation and industrial steam

production.

The companies said the acquisition launched AREVA's new global solar energy business, reflecting the company's strategic objective to be the world leader in CSP.

The market for CSP is expected to grow substantially in the next decade, with an average annual growth rate of 20 per cent, and should reach an estimated installed capacity of over 20 GW by 2020, the companies said.

Ausra, a Silicon Valley company which had raised US\$130 million in venture capital from high-profile private equity firms including Kleiner Perkins and Khosla Ventures, as well as Australia's Starfish Ventures, is recognised as a leader in low-cost solar thermal technology known as linear fresnel.

AREVA didn't disclose the price tag but analysts estimated it was about US\$200 million, which would represent a significant exit premium for Ausra's initial investors.

Ausra chairman and CEO Dr Robert Fishman said: "Today is about making a strong company even stronger.

"Combining AREVA's financial and commercial strengths and its energy expertise, with Ausra's proven technology and experienced management team, will help position AREVA for even greater success in the renewable and carbon-free energy industry."

Simmons & Co analyst Burt Chao said that



Electricity Power Station

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Toyota's new Hybrid Camry

teaming up traditional energy and renewable firms makes sense.

"As solar especially goes toward more of an energy story, it certainly makes sense for energy-focused companies to start looking at solar," Chao told Reuters.

"You will probably see more and more energy companies buying up or partnering with these other solar companies," he said.

### **RMIT, GREENEARTH PARTNER ON CLEAN ENERGY, WATER**

RMIT University said its researchers are developing new dual geothermal technology to meet two of the greatest challenges facing Australia today – renewable energy generation and scarcity of water.

The all-in-one system to simultaneously produce clean electricity and drinking water will be developed through a \$1.12 million research project in partnership with **Greenearth Energy (ASX: GER)**, a listed geothermal energy developer.

The project was officially launched mid-January at RMIT's Bundoora campus by Victoria's energy and resources minister, Peter Batchelor.

The research focuses on the development of a dual geothermal system that can desalinate hydrothermal waters while generating renewable power.

Researchers have seen promising results from a small-scale concept prototype developed at the Thermo-Fluids Laboratory in RMIT's School of Aerospace, Mechanical and Manufacturing Engineering.

Greenearth Energy managing director Mark Miller said the research outcomes, if successful, would be used to develop commercial systems for a range of applications, including units capable of producing 0.1 megawatt of electrical power and 75,000 litres of water per day, suitable for small and isolated communities off the main electricity grid.

"This project could pave the way for the

effective use of suitable hydrothermal waters, offering export opportunities through the commercial manufacture of small to medium-scale dual geothermal systems," Miller said.

### **TOYOTA JV GIVES OROCOBRE SHARES A JUMP-START**

Toyota has moved to secure its electric-cars supply chain by entering a joint venture with Australian-listed **Orocobre (ASX: ORE)** to launch its first major lithium mine.

Brisbane-based Orocobre (profiled in EI#89), which has spent four years building its lithium project pipeline, said the agreement with Toyota Tsusho, whose major shareholders are Toyota Motor Corp and Toyota Industries, effectively puts in place the funding to launch its flagship project, Salar de Olaroz, in Argentina.

Separately, Toyota officially launched its Hybrid Camry (pictured) in Australia on 8 Feb. Using 6.0 litres of regular unleaded petrol to travel 100km, the Hybrid Camry is almost 32 per cent more frugal than the automatic petrol Camry - which the company claimed was already the most fuel-efficient Australian-built car.

Toyoto Motor has said it plans to launch all-electric cars and plug-in hybrids in model-year 2012. Under the Orocobre deal, Toyota Motor will have the opportunity to become a cornerstone off-take customer for the Olaroz mine.

Pre-development work for the project is to be completed by September, with commercial production targeted from 2012. Olaroz would produce 15,000 tonnes or about 10 per cent of global production in 2013.

Toyota Tsusho, which is to take a 25 per cent equity stake in Olaroz, is 22 per cent-owned by Toyota Motor. It is a materials supplier to Toyota, the world's biggest carmaker, as well as to electronics giants Panasonic and Sanyo.

Toyota Motor and Panasonic are partners in the development and production of

lithium-ion battery packs.

Nickel-metal hydride batteries have been used for lower-emission cars, such as the Toyota Prius and Honda Insight, which combine conventional and electric engines.

But carmakers plan to use lithium-ion batteries for models that use electric power completely, or for longer periods, because lithium is lightweight, heat resistant and seen as more ideal for rechargeable batteries.

Orocobre's share price surged 32 per cent to close at \$1.85 when the JV deal was unveiled on January 20. As at 9 February, it was trading at \$1.825.

Australia's only lithium mine is owned by Talison Lithium, which recently delayed an initial public offering. Perth-based Galaxy Resources (**ASX: GXY**) plans to launch Australia's second lithium mine. In January it said it expected first production from late 2010 from its Mt Cattlin project at Ravensthorpe in Western Australia.

### **CHINESE RECYCLER EYES UP TO \$32M IN AUSTRALIAN IPO**

One of China's 'green' manufacturers has announced plans to raise \$25 million to \$32 million from an initial public offer on the Australian Securities Exchange.

Novarise Renewable Resources International lodged 4 February its prospectus with the Australian Securities and Investments Commission.

The group is an integrated manufacturer of recycled polypropylene fibre-based products.

Novarise plans to issue 128 million new shares at 25 cents per share, with the offer opening 12 February. Assuming full subscription of 427 million shares, Novarise will be valued at \$106.75 million.

The majority of funds raised will be applied to the expansion of the group's production facilities in Fujian Province, China. Novarise plans to list on the ASX on 18 March.

John O'Brien, principal of Australian CleanTech, is a non-executive director of Novarise.

O'Brien says the IPO provides an opportunity for Australians to invest directly in a profitable Chinese 'green' enterprise.

"Australia is considered to be an important market for Novarise to source PP waste from, and to sell our PP fibre-based products to. It is also seen that Australia will be the first stepping stone to further international operations," he says.

"It enables the company to list in an advanced capital market, and to strengthen our international profile and advance our growth strategy." 