

# SUMMARY REPORT

## Sandwich Workshop Future of Energy

**Thursday 22 February 2018**  
**12.30pm - 2.00pm**

### **Moderator**

**Lionel Hogg**, Energy and Resources Partner, Gadens

### **Panellists**

**Jennifer Purdie**, Chief Executive Officer, Adani Australia Renewables

**Warwick King**, Chief Executive Officer, Australia Pacific LNG Pty Limited

**Matthew Busch**, Chief Financial Officer, New Hope Group

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## Workshop Summary

The predominant theme from the 2018 Queensland Futures Institute *Future of Energy Workshop* focused on the critical importance to Queensland of reliable and affordable energy as the basis for economic and social development.

The workshop identified that a major challenge for the energy sector is in maintaining its social licence to operate; and the role real-time news and social media has on the community and the political process.

The workshop discussion allowed the audience to delve further into the topic of how we foster an environment with a diverse energy mix.

### Key comments by moderator and panellists

#### Lionel Hogg, Energy and Resources Partner, Gadens

- Introduces the panel and emphasizes the importance of energy and its future in Queensland.

#### Jennifer Purdie, Executive Officer, Adani Australia Renewables

- Adani is building renewable energy generation in Solar PV, Wind and Storage
- By 2022 Adani's aim is to have established a 1500 MW portfolio of renewable power plants
- Globally, Adani has a goal of 10+GW by 2020
- Adani is looking firstly into solar PV, because it provides Adani with the strongest competitive advantage and knowledge in this sector based on Adani India 1200 MW.
- Adani would like to work with industrial and commercial sectors
- It is important for Adani to diversify in terms of location as well as technology, in Australia, not just in Queensland – but Queensland has certainly got a clear advantage in Solar PV with great results.
- The challenge is to connect them, and to provide a solution in terms of energy to the customer on what they want and how they want it – which is far more than just generating the energy.
- Finance for renewables is good at the moment, but what does the risk/return look like in out years with prospects of future price uncertainty.
- Even with a Power Purchase Agreement revenue will be variable in future
- Questioned the lifecycle costs of renewables e.g. taking into account recycling of Solar PV
- 70% of power in the Grid goes to Commercial uses/sales
- Small-scale solar and storage works well for individuals and does provide benefits to grid but not at least cost

#### Warwick King, Chief Executive Officer, Australia Pacific LNG Pty Limited

- APLNG's business. East coast Domestic Gas use = 1.4 Petajoule/pa; APLNG supplies about 30% of that
- Australia's largest producer of coal seam gas (CSG), supplying Queensland's domestic gas market
- APLNG sells to industrials and retailers in QLD, but also has customers in China and Japan
- Full-time job shoring up brand and social licence to operate
- You build a brand via the stairs and lose it via the elevator

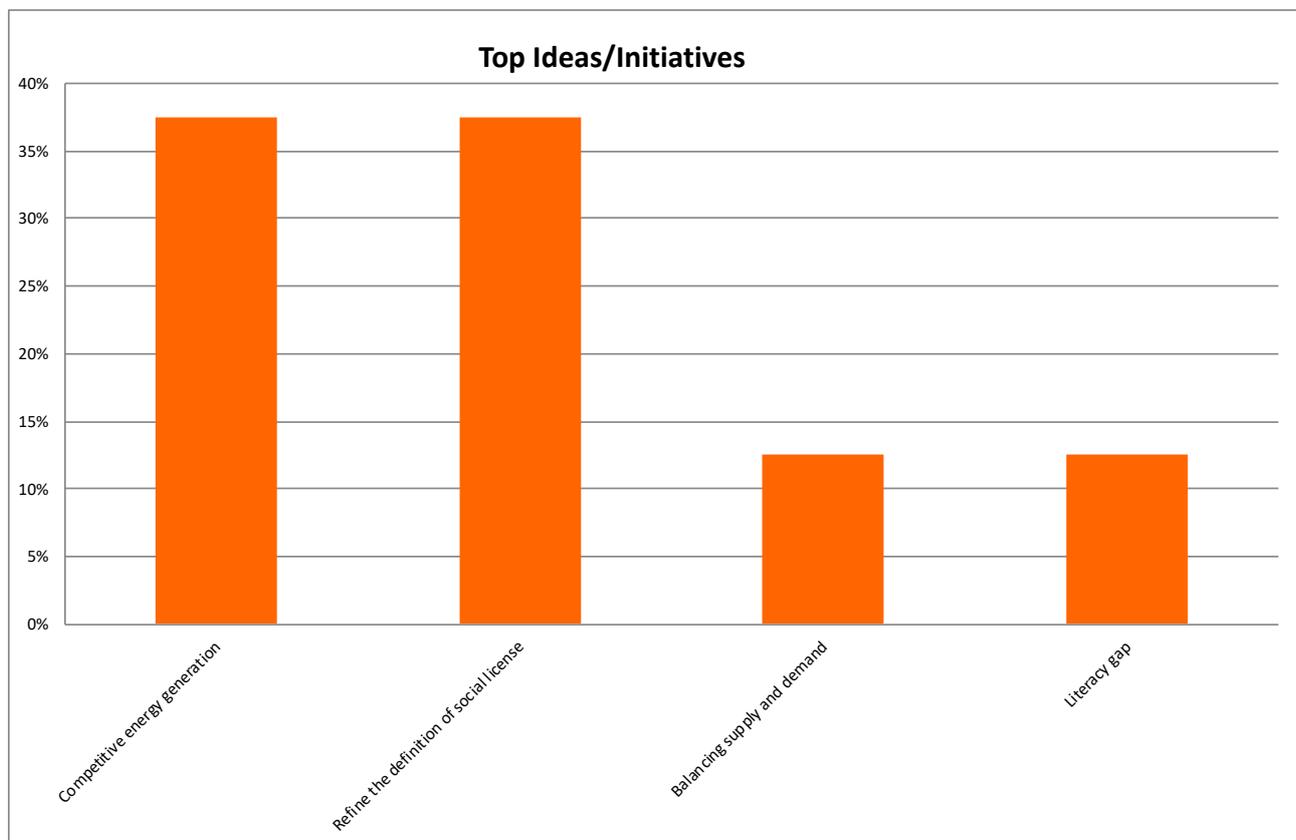
#### Matthew Busch, Chief Financial Officer, New Hope Group

- New Hopes business: Thermal coal in New South Wales and Queensland, Oil & gas interests, Port of Brisbane and Agribusiness interests
- Preference to not use market interventions, but to allow good policy/ price of electricity/ set emissions targets and then let the market find the path forward
- We are living in a global community with real-time news and commentary
- Environmental activism benefits from that and slows the approvals process because politicians fear a backlash from making a decision.

## General discussion

- General public struggles to make sense of the energy debate because it is a war of two ideologies. We should be clear in messaging to public.
- We should be striving for the energy mix that provides the best outcome to consumers.
- We should be managing a transition from fossil fuels to renewables with targets while keeping costs down to manage affordability → we need a systems approach.
- There is high demand for our high quality coal and it's increasing. The criticality of this occurring is due to the significant contribution that it makes to funding Queensland's essential services.
- The Renewable Energy Target, while it stimulates adoption of renewables can lead to some perverse outcomes. e.g. over-investment into some regions rather than a spread across regions.

## Summary of Ideas



The Queensland Futures Institute acknowledges the support of the UQ Business School Masters student Samira Nazar for her excellent recording and analysis of the Workshop.

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