

# About Australian Ethical Investment

- Have been investing ethically since 1986
- Over \$4 Billion in funds under management through Superannuation and Managed Investment Schemes
- Over 50,000 members of Super Fund
- ASX Listed Company - \$500 million market capitalisation

# Investing in Renewable Energy

- Transition taking place
- Change in the nature of contracts
- Changing risks not confined to Australia but risks higher in Australia due to uncertainty around energy policy and regulation
- In US and Europe - greater confidence in the way risks are assessed

# Investing in Renewable Energy

- Impact of Roof Top Solar
- Grid/Transmission - a major issue
- Government should spend money on improving transmission to link with renewable energy projects rather than supporting existing or new coal fired power stations

## Why is the energy industry in transformation?

Social and economic drivers are propelling governments to collective and individual action



### Global Warming

2°C

Sea-level rises of several meters  
Extinction of the world's tropical reefs  
Abandonment of the Persian Gulf

3°C

**The realistic minimum**  
Loss of most coastal cities  
Loss of forests in the Arctic

4°C

Europe in permanent drought  
Vast areas of China, India claimed by desert  
Polynesia swallowed by the sea  
American Southwest largely uninhabitable

5°C

End of human civilisation



### Energy Security

58%

of EU energy consumption from imports including 95% of oil & 83% of natural gas

90%

Of India's forecasted oil demand will be met through imports by 2040

72%

of China's total oil demand met by imports

860m

people don't yet have access to electricity



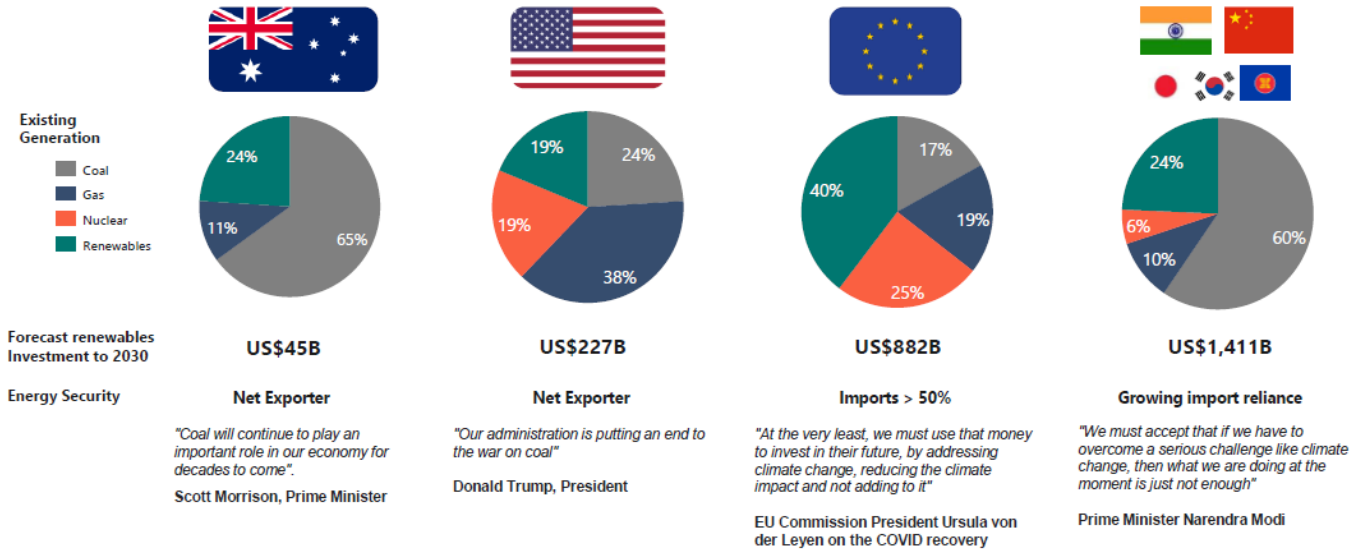
## Energy system transition

One of the largest infrastructure investment opportunities in history

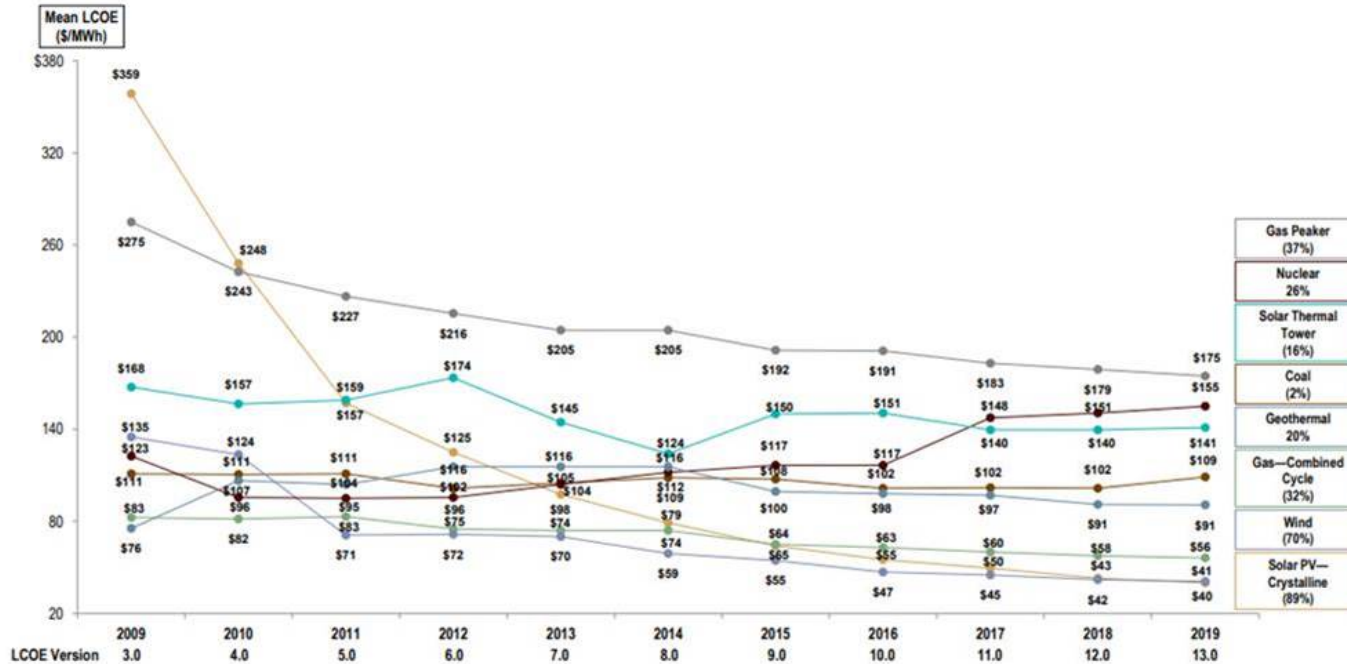


## Different regions are operating at different speeds

Regardless of domestic resources and incumbent interests, markets continue to embrace renewables



# Cost of Renewables Coming Down



**LAZARD**  
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Source: Lazard estimates.  
(1) Reflects the average of the high and low LCOE for each respective technology in each respective year. Percentages represent the total decrease in the average LCOE since Lazard's LCOE—Version 3.0.

# Alternatives to Wind and Solar

- GAS? Lower emissions than Coal - but still a fossil fuel! Transition? But can the planet last long enough for transition to take place?
- HYDRO? Snowy 2.0 and projects in Tasmania welcome but can't possibly provide the complete solution



# Alternatives to Wind and Solar

- NUCLEAR? Far too expensive to even think about
- HYDROGEN? A real possibility but lots of work to be done