

# Energy Matters

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Alan Cuthbertson

alan@sysprosoft.com

## Hepburn Wind

*.. A more direct approach is to buy your own renewable energy company....*

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### Disclaimer

The views in this newsletter are those of the author and not necessarily those of the Green Loans program

I feel that the government has dropped the ball on Climate Change (see page 2) and with no price on carbon, there is less incentive for people to reduce their usage of non renewable power.

So, what can we do. The first option is to reduce your own use of energy. This is my favoured approach and what the Green Loans Program attempts to do.

The problem is that 100% reduction is difficult/impossible and people would often just prefer to pay more.

There are several ways that people can pay to get renewable energy. The first and simplest is to buy Green Energy. This means that your electricity costs more (about 20%) and the electricity company must purchase an equivalent amount of renewable energy. For more information you can go to <http://www.greenelectricitywatch.org.au/results.php?where=vic&sort=score>

A more direct approach is to buy your own renewable energy company. While this is beyond the means of most of us, you can buy shares in a renewable energy company.

One such project which has always interested me is the Hepburn Wind project. This is a community based cooperative which accepts investments of \$1,000 or more.

They have raised \$10 million to install 2 wind turbines. They have just signed an agreement with REpower to start building in Oct 2010 and deliver power in 2nd qtr 2011.

They still need another \$1.9M, and are accepting new investments. The project has been going for 5 years,

and there were times that it looked like stalling. I now feel that it has a high chance of success. In its prospectus, it predicts an average annual dividend of 15 cents in the dollar over the 25 years of the project. There are several points you should be aware of:-

- Your investment is not tradeable on the stock exchange. You should assume that your money cannot be taken out easily.
- At the end of the 25 years, assume your capital has gone.
- The co-operative will donate some of its earnings back into the community.

I went to the AGM on Wednesday night and was impressed by the talent on the board and the time that they donate for free to make the project successful.

They argue that a \$5,000 investment provides enough electricity to power a house for 25 years. By comparison, a \$5,000 investment in PV panels provides only 25% of a households requirements.

They are also trying to negotiate with a supply company so you can buy Hepburn wind for your house. It wont actually come from Hepburn , but you know what I mean!

If you want more info, visit [www.hepburnwind.com.au](http://www.hepburnwind.com.au) or send me an email [alan@sysprosoft.com](mailto:alan@sysprosoft.com).

**Note: I have invested in the project myself and so have a personal interest in the project. I have no experience or qualifications in investment advising. Please discuss any investment with your financial adviser before proceeding.**

## A Sad Day for the World

I don't generally like putting political articles in this Newsletter, but given the decision by the Labour Party to drop the CPRS, I feel cheated.

I voted for Labour at the last election mainly because they promised to do something about Climate Change. They created the CPRS (which admittedly has flaws) but were unable to get it through the senate.

Now, rather than making it an election issue, they have gone to water and refuse to do anything for the next 3 years and wait to see what other countries will do.

While it may make political sense, it does not make moral sense. If everyone stands around waiting for someone else to move, nothing happens.

As the biggest per capita polluter in the world we are morally required to show some leadership, if nothing else, to at least bring our emissions back into the same ball park as equivalent countries in the world.

So it is now down to us as individuals to try and show the government that we want action, but with both major parties now refusing to impose a cost on carbon, we really have no where to go.

I did see this article the other day which is probably the best simple argument for implementing a Cap and Trade system, and implementing it now rather than later. <http://www.nytimes.com/2010/04/11/magazine/11Economy-t.html?emc=eta1>

I think the most important point is that if we take action now, we can reverse it in 5 years time if we find it was all unnecessary. However, failure to take action is much harder to reverse in 5 years.

*.. If everyone stands around waiting for someone else to move, nothing happens..*

*..first flight of the worlds first solar powered plane....*

### Solar Powered Plane

I received this link to the first flight of the world's first solar powered plane. Although not practical at this stage, it shows there are options. It is worth viewing the video for its pure majesty. A plane the size of a jumbo, able to fly at 45 KMH and carry one person around the world... <http://www.solarimpulse.com/sitv/index.php?lang=en>

## Renewable Energy for Base Load Power

Last month I talked about the need for renewable energy to be able to provide Base Load power. Solar power doesn't work at night and wind doesn't work if there is no wind.

I received a comment from one person that there is no problem at the moment with renewable energy, which is quite true. Because renewable energy only makes up a small part of our energy supplies, other supply stations (notable coal) can vary their output to provide base load.

What I was referring to was the situation when we get serious about renewable energy and it creates more than 30% of our power. Then Base Load delivery becomes important.

When we reach 100% renewable energy (and I say "when" not "if"), we need mechanisms to store the energy and deliver it when required.