

Italian Chamber of Commerce Conference 2019 - Energy & the Environment: Circular Economy

Mike Rann, a member of the Advisory Board at EOS Investment Management Group, was one of the prominent speakers at the Annual Conference on Thursday 29th of November. Mike presented the audience with an insightful view on various matters in Italy, the UK and more globally. We are pleased provide a copy of the speech text below.

Speech

Although I now live and work in London and Italy I come from Australia which is, because of our hot climate, extremely vulnerable to global warming in terms of our water supply, the irrigation of our crops, even more prolonged droughts, more frequent cyclones, the destruction of our barrier reef and, as we have seen in recent weeks, increasingly devastating bushfires. Every month, every season, every year the temperature records are broken.

Despite this Australia has a poor record in tackling climate change. It hasn't followed Donald Trump in walking away from the Paris Climate Agreement, but it uses every creative accounting trick to wriggle out from under it its obligations. In 2009 a carbon reduction scheme agreed by former PM Kevin Rudd and then Opposition Leader Malcolm Turnbull was butchered and resulted in Turnbull losing his leadership. His replacement Tony Abbott, who went on to become the next PM, described global warming as "absolute crap" and more recently said it was actually a good thing. Our current PM Scott Morrison is perhaps most famous for waving a piece of coal in Parliament. Increasingly, the Australian Government is looking like a glove puppet of its backers in the coal industry.

But in the absence of national leadership we have seen regional and state governments lead the way. When I was elected Premier of South Australia in March 2002, we had zero renewable energy. We now well over 50% and rising fast. Billions of dollars of investment. Other states are now following and so are investors with massive investments in renewables around the nation. Similarly, states like South Australia are international leaders in recycling.

Italy has always had a problem with energy security. It has a brilliant science and technology base. I have seen companies like Magaldi industries in Salerno which has developed world class technology for concentrated solar power enabling power to be generated at night when the sun goes down. Energy storage will become critically important, not only for rural and remote communities but also for grid stability which should put companies like Magaldi into an international leadership position.

There are other companies like De Nora in Milan who are world leaders in hydrogen fuel cell technology and who are in turn working with companies like AFC, here in England. As

Ambassador to Italy I visited companies there that were international leaders in battery technology and mini hydro networks run by innovative businesses like Hydrowatt.

Italy has terrific conditions for wind and solar power which should now put it in an enviable position. It has done quite a bit with a patchwork quilt of incentives such as feed-in tariffs or direct subsidies. Some of these incentives massively distorted the market and much development was stalled when they were taken away. But renewable energy is on the march again. In 2018, more than one gigawatt of additional renewable energy was installed in Italy....450 MW of which was photovoltaic solar. That is an enormous amount, but much more renewable energy investment is on its way.

We have heard a great deal about Spain's current renewable energy drive but to comply with agreed EU targets Italy will need to install an additional 30 Gigawatts of renewables by 2030. That will require 3 gigawatts to be installed on average for the next ten years. That will require a massive financial investment! And that's where companies like EOS, based in Milan and London, can be of extraordinary help on mobilising finance for renewable projects during this transition from a subsidised world to a commercial, market based future.

The EOS team were pretty much first movers in Italy and have an extraordinary depth of experience, financial nous, operational expertise and international connections. I am sure they will be key drivers of the next big wave of renewable energy investment in Italy.

I'm a member of the UK, US and Global boards of the not for profit The Climate Group, headquartered in London. We operate in 47 countries and are a pro-business, pro renewables organisation. We are now working with over 120 state and regional governments in six continents through what we call our Under 2 Coalition. Those governments include Italian regions such as the northern powerhouses of Lombardy, Piedmont and Veneto as well as Emilio Romagna, Abruzzo, Basilicata and Sardinia. We are also working with more than 200 multinational corporations who have made measurable pledges to cut their own emissions. Our great goal is to work to limit warming to a rise of no higher than 1.5 degrees Celsius. To have a fighting chance to do so we will need to halve global emissions by 2030.

For years we have urged people to listen to the wisdom of the elders when it comes to the environment and climate change. We are now increasingly listening to the wisdom of our children who are deeply worried about the world they will inherit. I am therefore pleased that Italy will require students in every grade to study climate change and sustainability. I am also delighted to be involved in various ways in what will be a renewable revolution in Italy.

Bio

Mike Rann

Based in London, Mike Rann is member of the Advisory Board of EOS IM Group. Utilising his experience, his focus in the Advisory Board is primarily in relation to the energy and infrastructure strategy. He is CEO of renowned international advisory firm, Rann Strategy Group. Mike brings an extensive depth of knowledge from his 40 years of international

governmental and business, complemented by great insight. He is currently a Visiting Professor at the Policy Institute of King's College London, UK. Mike is the Chairman of the Power of Nutrition UK and on the Board of The Climate Group. Mike is former Premier of South Australia and a former Australian Ambassador to two G8 nations. As one of the world's first Climate Change Ministers his leadership saw South Australia become a world leader in renewable energy. In 2012, he was appointed by the Australian Government as Chair of Low Carbon Australia Ltd, Australia's "Green Bank". He was also Australia's Permanent Representative to the United Nations Food and Agriculture Organisation and the World Food Programme. Between 2012 and 2014, Mike Rann was Australian High Commissioner to the UK.