

Turnbull and Shorten claim power backing



Malcolm Turnbull in Melbourne yesterday. Picture: AAP

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Malcolm Turnbull said his plan to keep coal-fired power stations running longer had been vindicated by a new energy market report that was also seized on by Labor as evidence that “renewable energy is the future”.

The Prime Minister yesterday welcomed the report by the Australian Energy Market Operator, which found existing coal plants would deliver the nation’s cheapest energy for the next 20 years.

“I mean there’s no question that getting more megawatt hours out of an existing coal-fired power station is cheaper than the megawatt hours that’d come out of a new one. No question about that at all,” Mr Turnbull told radio 3AW.

He said the report, which forecast a long-term transition to renewable energy generation and storage, also endorsed the need for his Snowy 2.0 hydro power project, which could cost taxpayers up to \$4.5 billion.

Bill Shorten said the report backed Labor’s policy to “prioritise renewable energy as being the future of low cost energy in Australia”. “Now Labor has always said that coal and coal-fired power stations are going to be a part of the

foreseeable future of Australia's energy mix," the Opposition Leader said. "But Labor has said that we need to set a goal of 50 per cent by 2030. What this report doesn't say, is that we should be engaging in expensive investment in coal-fired power stations, or new coal-fired power stations beyond their technical operating life, beyond the end of their technical operating life."

The AEMO report said the replacement cost of the generation capacity of the existing coal-fired network would be between \$8bn and \$27bn by the mid-2030s.

It said the cost of renewables and storage had been coming down, and that Snowy 2.0 would play a critical role in the future energy grid.

AEMO chief Audrey Zibelman said the report confirmed the power grid in the future would be made up of a "portfolio" of energy sources and storage options.

Dr Zibelman said new coal plants "cannot compete at this point", but energy from existing coal plants would remain the nation's cheapest source of power during the transition period.