

Victoria chasing South Australia in wind folly

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For almost a century Victoria has been Australia's lignite (brown coal) capital but now it wants the renewable energy mantle. "Victoria hosts 430 billion tonnes of brown coal, representing a significant proportion of the world's brown coal endowment," a government website says. In recent years the state's Labor government increased royalties on coal and welcomed the closure of the huge Hazelwood coal-fired power station even though it pushed up electricity prices.

Now, on the cusp of an election, Premier Daniel Andrews is throwing more taxpayers' money at his aim of creating the nation's renewable energy capital. He has pledged to boost the state's renewable share from 16 per cent to 40 per cent by 2025. Never mind that South Australia's rush to a 50 per cent target has led to its coal-fired power stations closing, prices rising to some of the highest in the world and the first statewide blackout, and has left it heavily reliant on Victoria's coal-fired power when the wind doesn't blow.

If SA is at 50 per cent and relies on an interconnector to a state with 40 per cent renewables, a few days in the doldrums could spell disaster for two states — unless there is sufficient investment in gas-fired back-up generation or long-term storage such as pumped hydro. With all this duplicated investment being required, the real cost of these climate-driven strategies becomes clear. This is why taxpayers are paying so much and consumers are being hit with price rises.

Mr Andrews has approved six new wind farms that he says will power 650,000 houses — when the wind is blowing. He also has announced the latest stage of a \$1.3 billion renewable subsidy package: a \$40 million program to subsidise half the cost of batteries for up to 10,000 households with solar panels. The Andrews government previously has announced a scheme for half-price solar panels for 650,000 people and a \$1000 subsidy for solar hot water units on 10,000 houses. In SA, the Liberal government has flagged another large-scale battery subsidised by state and federal funds, as well as a \$100m scheme to provide "smart" batteries to 40,000 homes.

Eye-watering public spending and subsidies continue. The batteries and solar panels are designed to ensure the grid doesn't go dark when the wind dies down or the sun doesn't shine, yet everyone still needs to be connected to the grid to pump power out or receive it when they need it. The extent and

complexity of the investments — and lack of national plans — are worrying. These developments run the risk of making customers, large and small, more vulnerable to interruptions because of inclement weather or a lack of wind. The scale of public and private investment and cross-subsidies means consumers will pay through higher prices and their taxes. Victorians and South Australians have suffered and will suffer most because Mr Andrews and SA's former Labor government have been overly focused on renewables for ideological reasons. It could all become much worse given federal Labor leader Bill Shorten promises a national 50 per cent renewable energy target.

Scott Morrison formally has killed the national energy guarantee, which was designed to drive down emissions. The Prime Minister says he will focus only on driving down prices. For more than a decade national climate and energy policy has been shambolic. As a nation we contribute a declining 1.3 per cent of world carbon emissions. While we endure economic and political pain to make relatively small reductions, global emissions rise substantially. At some stage we need a serious debate about what we are doing and why.

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