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FINKEL REVIEW – MORE RENEWABLES WILL NOT SOLVE THE RENEWABLES PROBLEM

The recommendations of today's Finkel Review into the Future Security of the National Electricity Market, if accepted by government, will ensure that electricity prices continue to rise with little improvement in supply security, according to free-market think tank the Institute of Public Affairs.

"This Review is particularly disappointing given that it was only set up in the first place, following the state-wide blackout in South Australia last year, which was caused by that state's reliance on expensive, intermittent wind farms," said Brett Hogan, Director of Research.

"While replacing the current solar and wind-favoured Renewable Energy Target with a Clean Energy Target open to all technologies, requiring some new renewable projects to include dispatchable capacity and opening up new sources of gas, are positive steps, the plethora of new regulatory mechanisms and exclusion of almost all forms of new coal will ensure that prices continue to rise."

"It is short-sighted to simply blank the source of 75% of Australia's and 40% of the world's generated electricity, and take no account of the impact on energy market security of different generation costs or the ongoing availability of fuel."

"Coal is plentiful, hence cheap without subsidies and its electricity-producing machines can operate 24 hours a day, 7 days a week. You can't ignore coal and at the same time claim to be serious about energy affordability and security."

"Australia wouldn't have an energy affordability and security crisis, were it not for the forced integration of renewables into the National Electricity Market, which has destroyed the investment environment for coal, gas and future nuclear power.

"A truly visionary Review would have recommended abolishing the Renewable Energy Target, opposed all forms of carbon pricing, and advocated for the removal of federal and state legislative bans on uranium exploration and nuclear power."

"Electricity networks exist to provide safe, reliable and affordable electricity – and electricity markets exist to provide a meeting point for consumers and producers. It is not their role to provide a platform for environmental activists to impose their job and business destroying agenda."

"Given that electricity generation only represents around 35% of Australia's total greenhouse gas emissions, which in turn represent less than 2% of world emissions, if this Review's recommendations are accepted by the Turnbull Government they will be an expensive, and economically destructive way of doing not much at all," said Mr Hogan.

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