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SOUTH AUSTRALIAN ELECTRICITY CRISIS COMING TO A HEAD

Today's talks between the South Australian government and energy users and suppliers to discuss electricity price volatility are a direct result of its own renewable energy policies, according to free market think tank the Institute of Public Affairs.

"This is a crisis of the South Australian government's own making," says Brett Hogan, Director of Energy and Innovation Policy at the Institute of Public Affairs.

"South Australia has the nation's highest penetration of wind power and highest electricity prices. Its last coal-fired power stations will close in 2016, having been pushed out of the market by subsidized wind, and it is increasingly reliant on a limited interconnector with Victoria."

"If you don't have affordable electricity, you don't have sustainable jobs. Given that South Australia already has the nation's highest unemployment rate, and futures contracts show that prices will continue to rise, the pressure on household and business bills is going to get a lot worse," says Mr Hogan.

Just last week in Paris, Premier Weatherill committed to make Adelaide a "carbon neutral city" by 2050 and admitted that South Australia was conducting "a big international experiment."

The Premier's comments also follow the South Australian Low Carbon Economy Expert Panel report recommendations of a 100% renewable energy target and the goal of a 'net zero emissions economy' by 2050.

"The South Australian government is putting ideological purity ahead of its responsibility to encourage a competitive electricity market for its citizens and businesses," says Mr Hogan.

"The South Australian government has to admit that there is a problem, that the rollout of renewables needs to be scaled back, and ensure that reliability and affordability are once more the guiding principles of energy policy."

"More government subsidies, either directly to businesses or to renewable energy operators, are not the answer," says Mr Hogan.

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