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HAZELWOOD CLOSURE A DISASTER FOR VICTORIA AND AUSTRALIA

The confirmation today that French energy company Engie will close Victoria's Hazelwood power station in March 2017 and also try to sell Loy Yang B, will have serious consequences for electricity prices and security, according to free market think tank the Institute of Public Affairs.

"The fact that Engie would rather close its doors than continue to operate in Victoria tells you all you need to know about the impact of renewable energy policies," said Brett Hogan, Director of Research.

"This is a disaster for Victoria and Australia. Hazelwood alone is equal to over 2,000 wind turbines in terms of reliable electricity output. It is nonsense that it can be replaced by renewables any time soon, if at all."

"You can't suddenly remove nearly 20% of that State's lowest cost electricity and pretend there will be little or no price impact. Victoria is the low price anchor of the National Electricity Market, with its surplus electricity also patching the holes in renewables-rich South Australia and Tasmania. These three states will now be competing for the same, reduced power output."

"Today's announcement is unfortunately the inevitable outcome of federal and state government policies that are destroying the investment environment for fossil fuel companies. In the case of Victoria, in just the last 6 months the Andrews Government has tripled the tax on brown coal, announced a new 40% renewable energy target, and extended the current ban on exploration for new gas supplies."

"No temporary state or federal government employment schemes or taskforces can possibly replace viable private sector jobs delivering an important commercial product."

"Sympathetic comments by environmentalists about the impact on local workers and communities are just crocodile tears, given that renewable energy policies are specifically designed to push coal and gas producers out of the market."

"The Greens have made it clear that they want to close all coal-fired power stations, starting with Victoria's four brown coal generators. Now that they have shot down Hazelwood they will aim for Yallourn and Loy Yang A and B. The question for the Green movement and its sympathisers in the major parties is where will our future electricity and gas supplies come from?"

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