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SOLAR THERMAL ELECTRICITY SHOULD NOT GET SPECIAL TAXPAYER SUPPORT

A report in today's Adelaide Advertiser that a US company promoting the construction of a solar thermal tower in Port Augusta, South Australia needs \$100 million of taxpayer money as well as Government endorsed purchasing contracts to make the project viable, sums up much that is wrong with the current renewable energy debate, according to free market think tank the Institute of Public Affairs.

"Policy makers should be creating an environment that allows all electricity generators to compete in a fair and open market, favouring no particular technology," says Brett Hogan, Director of Energy and Innovation Policy.

"Yet this company today claims that it needs \$100 million of taxpayer support plus long-term contracts to sell electricity at a price that will attract customers."

"If you can't sell electricity at a price to attract consumers then you shouldn't be in the business of selling electricity."

"Needing all of this support to build a power plant with around 7% of the capacity of typical coal-fired power station is waste of taxpayers' money."

In its April climate change policy announcement, the Federal ALP promised to 'invest \$206.6 million in ARENA to support a specific Concentrated Solar Thermal funding round.' The Coalition has also promised \$1 billion over ten years for a Clean Energy Innovation Fund and last month confirmed that that fund's top priority would be a solar thermal plant in Port Augusta.

"South Australia already has Australia's highest unemployment rate, and most expensive electricity. Locking in expensive power for years into the future will do little to address either problem."

"South Australia has world class gas, oil and uranium reserves, as well as coal, so spending taxpayer money in an effort to engineer alternatives makes no sense. Let the private sector take the risk, and reap the rewards, if indeed their technologies are better suited to a particular market, said Mr Hogan.

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