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Energy review must power timely, practical reform

APPEA welcomes the announcement today by the COAG Energy Council of an independent review of energy security in the national electricity market, led by the Chief Scientist Dr Alan Finkel AO.

“Let’s hope Dr Finkel’s review will drag debate away from polarised positions to a fact-based discussion of how Australia can cut emissions from the energy sector without jeopardising reliable, affordable electricity for consumers,” said APPEA Chief Executive Dr Malcolm Roberts.

“As far as some governments are concerned, this might not be the beginning of a beautiful friendship but it could be the beginning of a long overdue realism in the debate about renewable energy.

“Integrating more and more intermittent renewable energy into the grid is a major challenge. It is a challenge Australia can meet, provided we accept that there are genuine practical problems to be solved and we must co-operate to solve them.

“Identifying these problems is not an attack on renewables, as some people seem to think. Solving these problems is in everyone’s interests, especially the renewable energy industry.

“Every generation technology has its strengths and weaknesses – that is why Australia has always used a mix of technologies to meet demand.

“As a starting point, we need to see more co-ordinated action from governments and fewer ad hoc announcements designed to capture newspaper headlines. Integrating climate change and energy policies means striking the right balance between cutting emissions and maintaining reliable, affordable supply.

“An important first step will be for governments to recommit to a single national renewable energy target. Some State governments have announced ambitious renewable energy targets without any detailed analysis of the costs for consumers or the impact on energy security.

“The most efficient renewable energy target is a single national target, not a patchwork of State targets which may change with every electoral cycle.

“We need to see careful planning so that, as renewable energy increases its share of the energy market, we retain sufficient gas-fired plant to provide the immediate back-up required when renewable output falls or demand spikes.

“A recent international study of 26 OECD countries between 1990 and 2013 shows that that gas is absolutely critical to system security.



“That study found that, for every 0.88% increase in renewable generation, an even larger increase (1%) in fast reacting gas-fired generation occurred.

“It is time the debate matured. Dr Finkel’s review is welcomed as an important step forward. Minister Frydenberg and his State and Territory colleagues are to be congratulated for recognising the need to tackle the energy security issue,” Dr Robert’s said.

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