

Confucian wisdom

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The International Energy Agency is just another international agency that Australia finances in order to receive advice that, if taken, would cripple the economy. At the latest [Clean Energy](#) summit, IEA's agitator-in-chief Fatih Birol continued to push for a COVID 19 recovery with its central theme involving substituting high cost renewable energy for coal

In its coverage of the summit, [RenewEconomy](#), one of many Australian wind/solar energy propaganda publications, applauded [Birol](#)'s call for an expedited closure of all Australian coal plants.

Birol does not stop at exhorting his flock to stop building new coal fired power stations but urges a decarbonisation program for the existing ones as well as for steel plant, cement factories and other emission-intensive facilities. Mentioning carbon capture and storage and hydrogen, he described finding the technologies to do this as “big homework”. Big homework it is! For coal, the massive Australian government spending on CCS – including bankrolling the highly secretive Carbon Capture and Storage Institute – would deliver electricity at three times the cost of existing High Efficiency Low Emission Plant. With hydrogen, even if this is feasible as a future path to energy supply, it would be very expensive.

Kobad Bhavnagri from Bloomberg New Energy Finance said renewables, as “the least-cost source of new electrons almost everywhere in the world”, are set to dominate new investment in electricity generating capacity. As has been the case for thirty years however, he and other promoters of wind and solar proclaim their supposed cost advantages but in the next sentence also call for more subsidies.

Sometimes wind/solar lobbyists call for the elimination of subsidies to coal. But in Australia there are no such subsidies – indeed coal, uniquely as an input into production, pays taxes disguised as “royalties”. Those who claim a case for this on the spurious basis that coal in the ground belongs to the people as a whole do not extend such reasoning to taxing water, sunlight and wind, which equally belong to the people as a whole and comprise the inputs into hydro, solar and windmills.

Birol tells his listeners that if existing emission-intensive plant continues to operate, “We can forget our climate targets”. He would be most disappointed in China’s on-going coal generation developments. Almost all of China’s coal generating plant is less than 20 years old and latest [data](#) shows its planned new

plant at sixfold the existing Australian capacity. China's total coal plant generating capacity is currently forty times greater than that of Australia.

Last Thursday, speaking at Tsinghua University, in Beijing, UN Secretary General [Antonio Guterres](#) was quite vexed with the Chinese Government's plans to preside over a boom in new coal generation. He said "By seizing the mantle of leadership" in wind and solar "and taking bold action quickly, China could reap 'vast competitive advantage' creating more jobs, boosting growth and providing cleaner air and better health to its citizens."

Clearly unimpressed with such economy-crushing advice, the Chinese response was, as it has been for the past six years, to quietly press on with building the cheapest plant and avoid offering a decarbonisation timeline. If only Australia could take a leaf out of that book.

Alan Moran is with Regulation Economics. Among his many publications are chapters on the Australian energy industry in four books covering energy markets across the world.