

Renewable energy comes at exorbitant price

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Coal-powered electricity generators and abundant coal supplies bring Victoria the world's cheapest electricity.

This will change, partly because of the risk of a government carbon tax. This makes it impossible for companies to build new coal-powered generators.

In addition, government programs subsidise wind and solar energy. And the Commonwealth has a "20 per cent renewable" requirement. This forces consumers, through electricity retailers, to buy expensive electricity from renewable sources.

Large-scale hydro electricity is the only low-cost renewable energy source, but no more dams can be built - so renewable electricity supplies must come from high-cost sources.

The Greens think they can run Melbourne on renewable energy within a decade with innovations such as covering the MCG in solar panels. They want to "Repower Melbourne" with massive subsidies to renewables and a national carbon price.

These truckfuls of your money are to fulfil "forward to the past" dreams of a de-industrialised car-free city.

We expect the Greens to promote off-the-planet energy policies. But Labor and the Liberals also favour expensive impositions.

Among these is requiring electricity businesses to pay households for the energy produced by solar panels. Victorian energy retailers have to pay households 60 per kilowatt hour - tenfold its worth. Other state governments require even greater payments. In NSW that price must be paid even for the electricity the consumer uses in their own house.

The costs of this are paid for in the electricity bills of consumers without solar panels.

Then there's the "20 per cent renewable" requirement. The penalty for using renewable energy includes its inherently high cost and the need for back-up supply, because the vagaries of the weather make wind and solar intrinsically unreliable. A further cost is transmission investment to bring electricity from dispersed wind farms or solar factories.

In kilowatt/hour terms it costs about 8 to get coal-generated electricity from the Latrobe Valley to the Melbourne hub. For wind farms the cost is about 17. For large-scale solar power the cost is closer to 30. And rooftop solar panels need a payment of 60 plus assorted other subsidies.

Wind power is a mature technology that won't get any cheaper.

Solar is hopelessly uneconomic. All the solar generating facilities started in Australia have failed. The Commonwealth and Victorian governments together gave \$120 million to a \$420 million large-scale solar power plant in Mildura, "the biggest and most efficient solar photovoltaic power station in the world". Even with the subsidy the plant was not viable - and was closed with the money wasted.

Victorian Premier John Brumby says his climate change policy will create 1200 new jobs. These will be phantom jobs, just like the 2000 new jobs that were previously forecast from a subsidised

windmill blade factory. And if, as suggested, the policy involves closing the Hazelwood Power Station it would prove disastrous. Hazelwood delivers a third of the state's electricity at a quarter the cost of renewable alternatives.

Prime Minister Julia Gillard has spoken about Australia's mineral wealth as a birthright. But our real birthright is low-cost energy - an asset politicians seem intent on eradicating.

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