

## **Solar and wind power simply don't work**

By Keith DeLacy, former Queensland State Labor Minister, The Australian, 22 June 2016

One policy which seems to have escaped scrutiny during this election campaign is Labor's commitment to increase the Renewable Energy Target to 50 per cent by 2030. I am surprised because it is a proposal that has enormous ramifications for economic growth and living standards, and disproportionate impacts on traditional Labor constituencies.

The problem we have in Australia is when we talk renewable energy we are talking wind and solar only — low value, expensive, unreliable, high capital cost, land hungry, intermittent energy.

According to the Department of Industry and Science wind currently generates 4.1 per cent and solar 2 per cent of Australia's electricity. But even this is highly misleading because it is such low value power. You could close it down tomorrow (which it regularly does by itself) and it would make no difference to supply.

If we talk about total energy, as opposed to just electricity, wind and solar represent 1 per cent of Australia's energy consumption. This despite billions of dollars of investment, subsidies, creative tariffs, mandates, and so on.

Solar and wind simply don't work, not here, not anywhere.

The energy supply is not dense enough. The capital cost of consolidating it makes it cost prohibitive. But they are not only much more expensive because of this terminal disadvantage, they are low value intermittent power sources — every kilowatt has to be backed up by conventional power, dreaded fossil fuels. So we have two capital spends for the same output — one for the renewable and one for the conventional back-up. Are you surprised it is so much more expensive, and inefficient, and always will be? So wind and solar, from a large scale electricity point of view, are duds. Now I know that will send the urgers into paroxysms of outrage. But have you ever seen an industry that so believed its own propaganda. Note, when they eulogise the future of renewables they point to targets, or to costly investments, never to the real contribution to supply.

Let's look overseas where many countries have been destroying their budgets and their economies on this illusion for longer and more comprehensively than we in Australia. The Germans are ruining the day they decided to save the world by converting to solar and wind. Germany has spent \$US100bn on solar technology and it represents less than 1 per cent of their electricity supply.

Energy policy has been a disaster. Subsidies are colossal, the energy market is now chaotic, industry is decamping to other jurisdictions, and more than a million homes have had their power cut off.

It is reported electricity prices in Germany, Spain and the UK increased by 78 per cent, 111 per cent and 133 per cent between 2005 and 2014 as they forced additional renewable capacity into their electricity markets. Sunny Spain used to be the poster boy for renewables in Europe — photovoltaic cells and wind turbines stretching on forever. Now they are broke, winding back subsidies, even the feed-in tariffs which were guaranteed for 20 years. But wait, what about the green energy jobs that everybody gushes about? Spain has an unemployment rate of 21 per cent with a youth rate of 45.5 per cent.

Britain is little better. Subsidies are being wound back, and a Department of Energy report points out that in 2013, the number of households in fuel poverty in England was estimated at 2.35 million representing around 10.4 per cent of all households.

It is no better in the US either. States with renewable energy mandates are backtracking faster than Sally Pearson can clear hurdles. Ohio has halved its mandate level (it was 25 per cent by 2025) because of high costs. West Virginia has repealed its mandate because of high costs, and New Mexico has frozen its mandates. Kansas was repealing its mandate which reportedly would save ratepayers \$171m, representing \$4367 for each household, and so the dismal story goes on. The US Department of Energy has found electricity prices have risen in states with mandates twice as fast as those with no mandate. As of 2013 California was the only state to adopt a feed-in tariff for solar power. It was immediately dubbed a failure by the renewable energy community because it offered only 31 cents per kWh, only five times the rate for conventional base load power.

Ah, but Asian countries are jumping on the bandwagon. Maybe. China built one new coal-fired power plant every week in 2014, and India's coal-powered investment in that same year equalled the total electricity capacity of NSW and Queensland. To summarise — with all of the trillions spent worldwide on wind and solar, wind currently represents 1.2 per cent of global consumption of energy, and solar 0.2 per cent.

The good news, it is possible to reduce fossil fuel use in electricity generation — through hydro-electricity and nuclear fuel. Plenty of countries have done it — Canada 60 per cent hydro and 15 per cent nuclear; Sweden 45 per cent hydro and 48 per cent nuclear; Switzerland 54 per cent hydro and 41 per cent nuclear; France 11 per cent hydro and 79 per cent nuclear.

But Australia has zero tolerance of these two workable alternatives to fossil fuels. At least we are consistently inconsistent.

So where does that leave us? On the basis of evidence everywhere we could easily double the price of electricity and get nowhere near the 50 per cent target. What would that mean?

First, it means rapidly disappearing blue collar jobs in high energy industries like manufacturing, car and ship building, smelting and refining, steel making and food processing. There may be still some construction jobs, but they will largely be assembly only, as all of the components will come from those countries more interested in growing the economy and

eliminating poverty than stoking the warm inner glow. Make no bones about it, a clean green economy has no place for high-vis shirts.

Second, rapidly rising electricity prices and the subsequent increase in the cost of living, disproportionately affects those at the bottom of the income scale.

Policies like this are OK for the Greens. They can keep their virtue intact because they never have to deliver. As Gough Whitlam once said, only the impotent are pure.

Mainstream parties don't have that luxury. They need to look at the true costs, and benefits, of all policy proposals.

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