

13 Feb 2017

The Australian, Australia

Author: Josh Frydenberg • Section: General News • Article type : News Item
Audience : 97,419 • Page: 12 • Printed Size: 695.00cm² • Market: National
Country: Australia • ASR: AUD 14,045 • Words: 931 • Item ID: 727492187

isentia.mediaportal

Licensed by Copyright Agency. You may only copy or communicate this work with a licence.

Page 1 of 3

EMBARRASSED LABOR LOST AS STATE GRINDS TO A HALT

Facts get in the way of ALP's fairytales

JOSH FRYDENBERG



The Labor Party has misled the Australian people.

Following the blackout last Wednesday in South Australia, the fourth in as many months, Labor has made four excuses for why the latest outage occurred. None goes to the heart of the real issue, namely the ideological pursuit of ever increasing amounts of wind and solar power without properly considering the impact on the stability and reliability of the grid.

First, Labor has sought to shift blame to the federal government by suggesting we should have directed the Australian Energy Market Operator to “turn on” Pelican Point power station while absolving the Weatherill government of any responsibility. There is no explicit provision in the national electricity law, or rules, that give the commonwealth the power to direct AEMO to shed loads or switch on a generator.

But for states it is different. They do have the express power to direct AEMO in an emergency situation. Labor’s energy and environment spokesmen, Mark Butler and Tony Burke, seem to be ignorant of these basic facts. Last week Burke said “the state government is not in a position to direct the federal body” and Butler said “the one person who doesn’t have the power to intervene is the South Australian government”.

Embarrassingly, Labor could not sustain this position for 24 hours. When it was put to Butler the next day that the state

government did have the power to declare an emergency situation and direct the AEMO, he meekly conceded “yes, and that is what happened in the statewide blackout”.

It is time Labor properly understood who the operator is. Started under the Rudd government in 2009, AEMO is a company limited by guarantee that is 60 per cent owned by federal,

state and territory governments (only the Northern Territory is not a part) and 40 per cent owned by industry, including generators, transmission companies and retail distribution businesses. The commonwealth’s share of AEMO is only equal to any one of its seven state and territory partners. It is as much a South Australian body as it is a commonwealth one.

Second, Labor has blamed AEMO for not directing the gas-fired power station at Pelican Point to come on line, with Butler claiming the owner, Engie, “could only switch it on if directed by the market regulator”. This is false. AEMO issued a release on Friday saying it “does not accept the assertions that some generators that were available that could enter the market did not do so”. Significantly, other available thermal generators responded to market signals but Pelican Point did

not. It is now clear that not only does Butler not understand the rules but he hasn’t acquainted himself with the facts.

Third, Premier Jay Weatherill and Energy Minister Tom Koutsantonis sought the day after the blackout to blame the privatisation of their electricity system and a lack of interconnectors with other states (ironically to source coal-fired power) as the reason for their woes.

But if that is the case, they have no one to blame but themselves.

Having been in government for longer than Caesar ruled Rome, the privatisation occurred back in the 1990s and it was Labor premier Mike Rann in 2002 who announced that he had “taken

steps” to support the development of a new interconnector with NSW. They must have been very little steps because 15 years later and after continuous Labor gov-

ernments, South Australians are still waiting for their interconnector and have only seen their system become less stable.

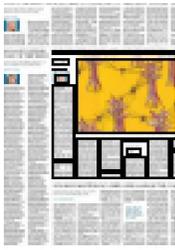
Fourth, Weatherill has also said that if there was a carbon price his state would have “avoided” the blackout. This is nonsense; another carbon tax would not make the wind blow. At the time of the blackout, wind was only supplying 2.5 per cent of South Australia’s demand, having fallen by 95 per cent from the levels it reached earlier in the day. Without sufficient storage, this level of variability and unpredictability in wind generation is a key

driver of the instability in South Australia’s system.

What South Australia lacks is reliable sources of baseload power. The closure of the Northern coal-fired power station last May took more than 500 megawatts — about one third — of the state’s average demand out of the system. Butler continues to maintain that this plant, whose output was five times the shortfall experienced last Wednesday, “did not shut down because of renewable energy”. But inconveniently for Labor, Alinta, Northern’s owner, said last year that the decision to close the business was “a result of falling electricity demand and significant growth in renewable energy in the state”.

The instability in South Australia’s energy system is a very serious issue. When more than a million people lose power and businesses lose hundreds of mil-

lions of dollars and are ground to a halt, it is not a “hiccup”, as Butler flippantly described it. This is why the Turnbull government has committed to taking the ideology out of the debate and prioritising energy security and affordability as we transition to a lower emissions future.



13 Feb 2017

The Australian, Australia

Author: Josh Frydenberg • Section: General News • Article type : News Item
Audience : 97,419 • Page: 12 • Printed Size: 695.00cm² • Market: National
Country: Australia • ASR: AUD 14,045 • Words: 931 • Item ID: 727492187

 isentia.mediaportal

Licensed by Copyright Agency. You may only copy or communicate this work with a licence.

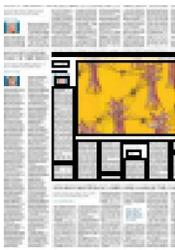
Page 2 of 3

More gas, clean coal and a significant investment in storage technology such as pumped hydro hold the key going forward. Now that Weatherill's "big experiment" has clearly failed, it is time Bill Shorten and his state Labor colleagues admit they were wrong and abandon their ideological pursuit of 50 per cent renewable energy targets.

Future jobs, investment and the stability of our energy system depend on it.

*Josh Frydenberg is the Federal
Environment and Energy Minister*

**Another carbon
tax would not
make the
wind blow**



13 Feb 2017

The Australian, Australia

Author: Josh Frydenberg • Section: General News • Article type : News Item
Audience : 97,419 • Page: 12 • Printed Size: 695.00cm² • Market: National
Country: Australia • ASR: AUD 14,045 • Words: 931 • Item ID: 727492187

 isentia.mediaportal

Licensed by Copyright Agency. You may only copy or communicate this work with a licence.

Page 3 of 3

