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Bar to be raised for wind, solar farms

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Wind and solar farms will be forced to meet tougher standards to guarantee reliable energy as the Turnbull government prepares a dramatic overhaul of the sector in a bid to avoid blackouts and price spikes.

The new rules are being put forward to make renewable energy projects install batteries or back-up systems to fill the gap if their wind or solar generators fail, sparking a row with the Greens over the obligation to ensure security of supply.

The mammoth investment in electricity storage, ranging from batteries to hydro-electric power, is a major theme in an energy security review by Chief Scientist Alan Finkel to be put to federal and state leaders tomorrow.

The plans come as tensions build over Dr Finkel's proposal for a "low emissions target" that could encourage gas or coal power, with Tony Abbott declaring his "anxiety" at the risk that it could make coal-fired electricity more expensive.

A battle in parliament will decide if the government can impose the new target over the furious objections of the Greens, with Labor open to the changes while industry experts call for a bipartisan deal to ensure certainty.

The scheme is similar to the clean energy target John Howard embraced 10 years ago as Coalition policy, setting a benchmark for cleaner power of 0.2 tonnes of carbon per megawatt hour — far stricter than the 0.7 standard being mooted for the new concept.

The Australian understands the emphasis on storage in the Finkel report, which the Chief Scientist will outline to Malcolm Turnbull and premiers in Hobart tomorrow, will clear the ground for reforms that tighten the requirements for reliability.

Wind farms and solar power generators would have to install their own battery or pumped-hydro systems to cut in when their primary supplies failed, adding to the cost of new projects and sparking a dispute over how this would be passed on to customers.

Mr Turnbull has warned of the risks to the energy grid from intermittent renewable power, in a dispute with the states over the impact of South Australia's heavy reliance on wind farms when a storm triggered a statewide blackout last September.

Energy Minister Josh Frydenberg has warned it is "very hard to deal with" the intermittency of wind power, raising engineering challenges for the entire grid when the power source can range from 100 per cent of state supply on one day to very little the next.

There is no proposal to force existing renewable energy providers to install batteries, given the retrospective edict would flout the government's stated aim of encouraging investment certainty.

The template for the new approach is the Kidston Solar Project being developed by Genex Power west of Townsville, where a 50 megawatt array of solar panels will be linked to a pumped hydro project in a disused gold mine, so that hydro power can be switched on when the solar power falls.

Greens climate spokesman Adam Bandt attacked the idea of putting the new obligations on the renewable energy suppliers.

"Big coal, big gas and the government want to make energy security a renewables problem, but the reality is, as we saw in the recent NSW heatwave, fossil fuel generators themselves can't always be relied on to generate on demand," Mr Bandt said.

"Requiring storage to be attached to renewables instead of creating a separate ancillary services market or a non-market mechanism, such as a minimum storage requirement, will reduce competition and will lock out storage companies from participating in the National Electricity Market in their own right." Mr Frydenberg said the need for reliability was more important than ideology. "The Greens are the leaders of the loony left and I don't know how they can look at themselves in the mirror with a straight face," he said. "Getting more storage into the grid is key to a more stable and affordable electricity system." Mr Abbott, whose government set the current goal for the renewable energy target and also decided Australia's commitment of a 26 to 28 per cent reduction in emissions, expressed concern yesterday about the prospect of a low emissions target or clean energy target. "My anxiety based on the reports ... is that the scenario which the Finkel report is recommending gives us not 50 per cent but 70 per cent renewable by 2030," he said.

"Coal, which is by far the cheapest form of baseload power and in most years is our biggest single export, goes from 65 per cent to 20 per cent of total energy generation. "Anything that makes it - impossible to bank new efficient coal fired power stations I think is a big mistake."