

OPINION

Office of Andrew Broad MP

Member for Mallee

Friday 16 June 2017

Recently I caught up with Australia's Chief scientist Dr Alan Finkel to discuss his recent review into the future of the National Electricity Market, a 200 page report full of recommendations on a topic that has polarised politics for ten years.

I have the privilege of Chairing the House of Representatives Environment and Energy committee and I approach this role with knowledge of the environment, having been reliant on it for 20 years as a farmer, and with a practical sense rather than an ideological one. Electrical energy has been instrumental in lifting the standards of living for Australians since the 1920's. My practical approach to energy policy means that I value the role traditional sources such as coal play in our energy mix, while also being open and excited about new and different energy sources that supplement our grid.

We have found there are three components to a stable electrical grid that are essential to plan for the future. The first is electrical power, the second is inertia; creating electrical stability, and the third is reliability.

One of the important recommendations from Dr Finkel is to ensure any new generation sources that plug into the grid can produce all three of these components. For those who advocate for an energy mix involving large amounts of renewable energy, this recommendation is essential.

Additionally, Dr Finkel suggests that any large scale generation plant should be required to give three years notice if it intends to close down. This is in line with practice in the United States, and would have allowed much better planning in the event of the recent closure of Hazelwood power station. Longer lead times and policy planning always lead to better outcomes.

The one idea that some Australians appear to miss is longer term policy settings that encourage investment. The very nature of power generation is - it is expensive to build and takes a long time. The Netherlands set eight year policy settings for power generation and enjoy bipartisan political support. In contrast, Australia's investment has been stifled by three year political cycles. Technology neutral, long term energy policy is essential.

Recent spikes in power have been partly the result of interactions between the generation of electricity and East Coast gas prices. Gas generators play a role by providing instant short term demand within the grid.

Email andrew.broad.mp@aph.gov.au
Web www.andrewbroad.com
Phone 1300 131 620

Media contact: Tori Masters
Email tori.masters@aph.gov.au
Phone 0418 445 233

Restrictions on additional gas supplies being explored in Victoria and other states, alongside increases in offshore gas exports have forced energy prices up for households and businesses across Australia. I am pleased the Australian Government has announced export licensing certificates, to put downward pressure on the price of gas for Australians and to ensure adequate supply. I am proud of our Australia first intervention.

The Finkel review creates a framework for a discussion we must have, perhaps one that is long overdue. Do you give a Finkel?

- ENDS -

Email andrew.broad.mp@aph.gov.au
Web www.andrewbroad.com
Phone 1300 131 620

Media contact: Tori Masters
Email tori.masters@aph.gov.au
Phone 0418 445 233