




Speech By
Colin Boyce

MEMBER FOR CALLIDE

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TRANSPORT AND RESOURCES COMMITTEE

Report, Motion to Take Note

 **Mr BOYCE** (Callide—LNP) (3.14 pm): I rise to make a contribution to the Transport and Resources Committee report titled *Examination of Auditor-General Report No. 11: 2020-21—Energy 2020*. In my mind, energy and all it encapsulates is the greatest subject of our governments—Queensland, Australia and the world. Providing cheap, reliable energy to consumers, heavy industry and manufacturing has become a complicated and widely contested debate in which to date answers have not been articulated clearly or with any certainty. It has left many wondering, ‘What will happen to my job?’ and, ‘Will I be able to afford it?’

The advent of the renewable energy sector, rooftop solar, large-scale solar farms and wind turbines, driven by the environmental arguments of the global warming and climate change debate, has changed the direction of the provision of energy in Australia. It has become complicated, subsidised and unreliable. Australia once relied for the bulk of its energy on coal-fired power generation. This was a cheap—and still is—and reliable generation source, Australia having an abundance of coal.

When Australia signed up to the Kyoto agreement to reduce its carbon emissions by 26 per cent, this put pressure on business and industry to comply. Seeking to achieve this by sourcing energy from the renewable energy sector, a mechanism was needed by the industrial companies and business to prove to the government that they were indeed making every effort to reduce carbon emissions. This brought about the adoption of RECs, renewable energy credits. The way these work is that the renewable energy company is issued one credit for every megawatt hour of energy it produces. If a company or business wants to prove to the government that it is using renewable energy, it has to purchase the energy-generating credits. These credits have become a tradable commodity for the renewable energy companies, buying for the energy needs of business. Because of the Kyoto agreement and the mandate to reduce carbon emissions, they act as a subsidy for the renewable energy sector.

The problem is that the renewables sector is extremely unreliable in terms of producing frequent, reliable power 24/7. Traditional coal-fired power generation cannot be turned off, and it is now being asked to ramp up and down production depending on how much energy is supplied by the renewable energy sector. When the sun does not shine or the wind does not blow, we become reliant on coal-fired power generation for grid stability. This has led to a situation where coal-fired generators make 80 per cent of their profits 20 per cent of their generating time. These small operating windows mean they have to make up the economic shortfall of operating on low production with no demand, and that at times has become unprofitable.

To quote from the report, Stanwell and CS Energy’s coal-fired power stations generated 68 per cent of the state’s electricity, while CleanCo generated two per cent. The shift to renewable energy sources, along with the planned retirement of existing coal-fired power stations over the next 26 years, will see a change in the generation mix in Queensland. We also plan to issue a report to the parliament on how the state government is managing the transition to renewable energy.

The government has a problem: it does not matter how many solar farms and wind farms come online in the future, the fact remains that the renewable energy sector cannot provide 24/7 power. The question is: how do we stabilise the generation of power to the grid if we go down the road of closing traditional coal-fired power generation? If the Greens have their way and close gas-fired generation and all fossil fuel generation, which is an absurdity, it leaves us in a quandary.

I want to know: what exactly is the government's plan to transition to renewable energy? Hydrogen, they will say. These technologies are very much in the development and prototype stage. There are many questions that remain unanswered—among them the availability of fresh water, the ability and reliability of the renewable energy sector to supply power to the electrolyzers, and the economics of such plans when you consider it relies heavily on government subsidies. Can the government guarantee that jobs will not be lost in traditional industries?

I would like to quote Peta Credlin in the *Australian*, who said—

... Australia is being asked to jeopardise affordable and reliable fossil-fuel-based power now in the hope something will be developed to replace it sometime in the future, demanding a leap into the dark. This is economically irresponsible but politically it's also almost bewilderingly stupid.