

Looming energy shortfall is forcing the Government to play environmental hardball

Green cred just got a lot harder



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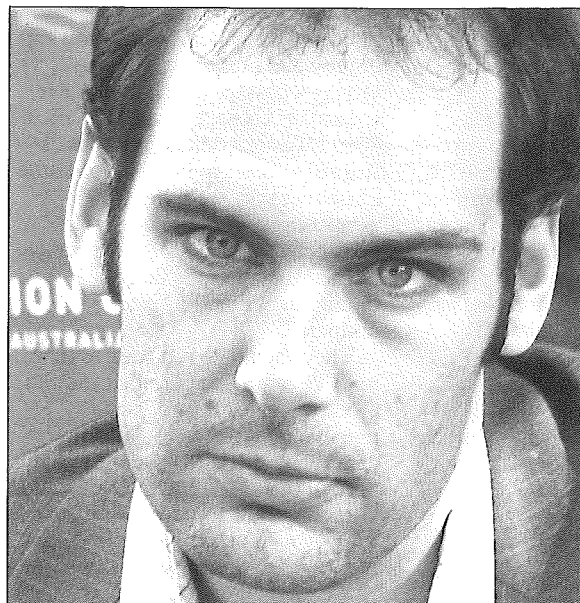
Environment Minister Donna Faragher approved three new coal-fired power station projects on Monday afternoon. When *The West Australian's* Twitter feed reported the decision would likely see the Barnett Government's green credentials come under fire, one eco-minded wag tweeted in reply: "It had green credentials?"

As it turned out, that's exactly what happened as everyone from the Conservation Council, WWF Australia, Sustainable Energy Now and State and Federal Greens MPs piled on.

The projects in question — Verve's refurbishment of the Muja A and B generators, Griffin Energy's expansion of its Bluewaters power station and Aviva's plan for a coal power station in Eneabba — will pump a combined 7.4 million tonnes of greenhouse gases a year into the atmosphere, according to the Environmental Protection Authority.

That, of course, is if they are all built, which is no sure thing. The Muja expansion will certainly go ahead but the Eneabba project is on ice after publicly listed company Aviva was unable to find a customer for the electricity.

And the financial uncertainty surrounding the Griffin group of companies means it's anyone's guess about if or when the Bluewaters expansion will proceed (although any prospective buyer of the electricity assets now has the assurance of a conditional environmental approval for



Critical: Piers Verstegen

expansion in their back pocket).

That hardly stopped the green groups, though.

Indeed, they were lying in wait to mug the minister.

Conservation Council director Piers Verstegen described Ms Faragher's decision as irresponsible.

He told reporter Michael Bennett: "It locks WA into such a highly pollution-intensive energy system and such a highly expensive energy system when the carbon price inevitably comes."

WWF's WA director Paul Gamblin said virtually the same thing: "This is indeed a dark day for WA's environment."

The Government is locking the State into decades of climate liability and pollution."

Compare and contrast to the words of Greens Senator Rachel Siewert: "The State Government is locking WA into a high-cost energy

option going into the future."

This tells us environmental groups, a bit like the public health lobby, are well organised and act in a highly co-ordinated and relentlessly on-message fashion.

But it's also true that the environment groups and the Greens will never be responsible for delivering a single kilowatt hour of electricity to WA consumers. Verve, which is facing an energy shortage of up to 200MW by the summer of 2011-12, has no such luxury.

Hence its determination to resurrect from mothballs two 40-year-old generators to produce another 240MW of electricity to the South-West interconnected grid by the summer of 2012-13.

While the public appears to be concerned about climate change, they are far more concerned when



Handball to Canberra: Donna Faragher

the lights go out and the air-conditioning doesn't work. Just ask Eric Ripper circa February 2004.

The other elephant in the room is cost. There was concrete evidence last week that the impact of the Barnett Government's 40-plus per cent rise in electricity prices (with more pain to come) have already begun to hurt the poorest in our State. Charities reported a flood of requests for help and Synergy revealed an explosion in the number of customers late paying their bills.

No matter how the environmentally pure wish the world to be, the fact is that in 2010 renewable electricity sources are not competitive on price and reliability with coal or gas. And no one can sensibly suggest a price on carbon, whether it's via a carbon tax or an ETS, will do anything other than push up bills.

Senior Labor politicians think fees

and charges are Colin Barnett's biggest vulnerability. Which is perhaps why Ms Faragher was keen to handball the issue of emissions abatement to Canberra.

It was right up there in the second paragraph of her Monday afternoon press release: "Ms Faragher reconfirmed that greenhouse gas abatement was best addressed through a national approach and the timing and details (are) a matter for the Federal Government."

The approvals process threw up another curiosity. The EPA wanted to impose a licence condition on all three coal power projects, forcing them to retrofit carbon capture and storage technology to their plants.

Such technology is the holy grail for polluters but many experts believe it will never prove feasible.

The kicker was the detail: it would be up to the EPA to decide when carbon capture was commercially and economically viable. How on earth the environmental scientists at the EPA thought they could make a determination about what was economically viable for a power station operator was anyone's guess.

But the minister knocked that notion on the head, instead settling on a requirement that power station owners develop "greenhouse gas abatement programs" subject to measurement and review every two years. The words "carbon capture and storage" are still in there, but if you think anything will happen within the 10-15 years that the Australian Greens' official environment policy says is the timeframe before climate change irreparably damages the planet, well, I've got a carbon-neutral bridge I'd like to sell you.