

20 years since John Howard's renewable energy policy

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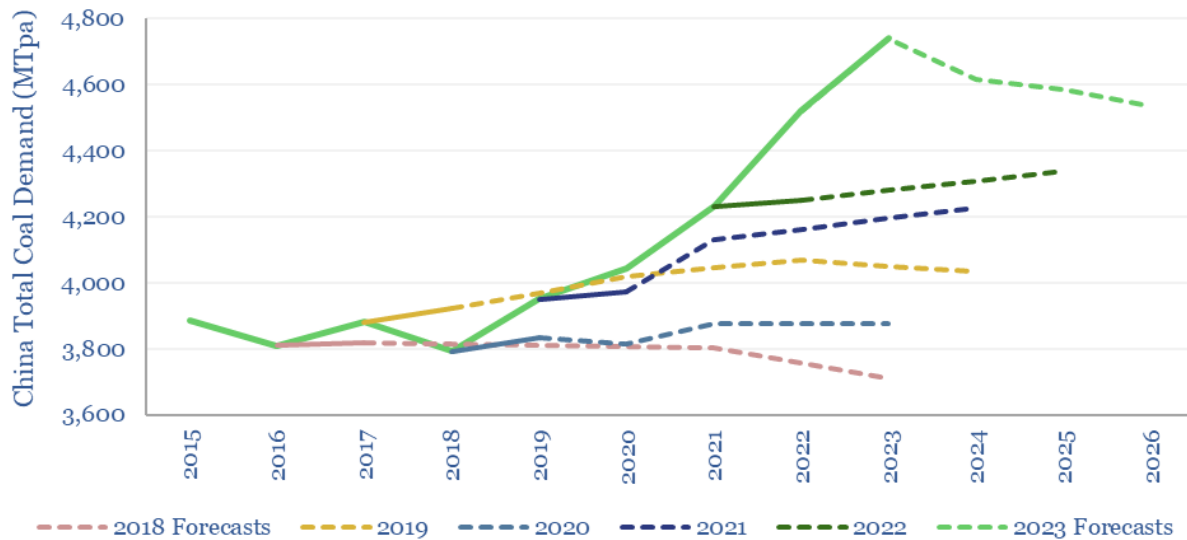
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It is now just over 20 years since John Howard introduced a renewable energy policy which required wind/solar-generated electricity to be incorporated within energy retailers' total supply. This gave those sources of energy a de facto subsidy. That basic subsidy presently is \$50 per megawatt hour for large-scale solar and wind – rather more than the total price of generated energy formerly experienced – and \$40 per megawatt hour for rooftop solar.

John Howard recognised the error he had made and that subsidised energy would, if allowed to expand, undermine the electricity supply's economics. He refused to increase the capped amount of subsidised wind and solar from its initial 9,500 gigawatt hours (nominally '2 per cent of additional energy' though actually over 4 per cent of total electricity). But then came the Rudd government which increased the subsidised renewable energy quantum six-fold followed by Gillard who, for good measure, added a carbon tax on coal and gas.

Tony Abbott as Prime Minister 2013-2015 proved unable to do more than staunch the increases but Albanese and Bowen have turbocharged the program. Labor has increased direct subsidies to wind/solar, introduced the 'Safeguard Mechanism' requiring the top 215 electricity users to reduce their usage by 30 per cent by 2030, and are vastly expanding the transmission network to cater for the diffuse nature of renewable energy supplies.

The rationale behind all these measures is the prevention of global warming that the use of coal and gas is supposed to be causing. But any such warming would have a trivial effect and be normal in the Earth's history. Besides, as the Dubai energy extravaganza demonstrated, the developing world, now comprising the lion's share of global emissions, is not about to reduce coal use. Indeed, the consultancy Thunder Said Energy regrettably reproduced the following chart illustrating China's burgeoning actual coal use compared to its previously expected trajectory.



Thunder Said Energy

The only people still claiming the wind/solar ‘energy transition’ will be both smooth and bring less costly energy are political ideologues, government dependent agencies like CSIRO and the energy regulators, as well, of course, as the subsidy recipients. But their power is such that prominent business figures mainly feel prudence requires that they avoid voicing concerns. Santos’s [Kevin Gallagher](#) is one of few industry leaders to have publicly criticised current policies, although the message did come across as quite soft when he claimed ‘renewables are a big part of the solution’ and expressed faith in the will o’ the wisp of carbon capture and storage.

While Australia may have gone further in destroying its efficient energy supply than other so-called developed countries, most Western governments share a similar philosophy. This owes much to establishment politicians basically reflecting the views ostensibly held by their electorates. Typical of such recorded views is a recent US [Pew](#) Survey which found that almost 90 per cent of Democrat voters and over 50 per cent of Republicans thought they would have

to make sacrifices to their lifestyles because of climate change (though only a minority expected to make 'major sacrifices').

Will 2024 mark a turning point? This is certainly the fear of the [*Guardian*](#), [*CNN*](#), and [other](#) left-wing media.

The *Guardian* sees elections as having brought Sweden, Finland, Greece and probably the Netherlands to join Hungary and Italy in a shift away from socialistic policies, of which climate is among the most prominent. It sees Spain (albeit unstably) and Poland as having avoided that fate! France and Germany have no national elections scheduled for this year. However, in Germany, the 'far right' AfD is likely to become more prominent in state elections and the Conservatives are gradually becoming more friendly to it. And EU-wide elections are due in June. In this trend, carbon policy-induced high energy prices are added to concerns about immigration, heightened by fears of radical Islam.

Of course, the crucial contest is the US with a victory of Trump (or DeSantis or Ramaswamy) bringing about a collapse of the *Paris Accord* and a return to energy sanity. In Churchillian terms, for climate alarmism, Trump's victory in 2016 was not 'the beginning of the end but was, perhaps, the end of the beginning'. A similar victory in 2024 would certainly foreshadow the beginning of the end.

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