ANTI-COAL ENERGY POLICY WILL HIT LIVING STANDARDS

WITH the 2015 Paris Agreement to reduce carbon dioxide emissions, Australia and other countries followed a course pursued since the 1990s. This involves forcing and bribing electricity consumers to substitute wind and solar power for coal.

Prime Minister Malcolm Turnbull has made abandoning coal-based energy a signature policy. He made a key green entrepreneur, Alan Finkel, his chief scientist and tasked him with reviewing the electricity market.

The Finkel review is out today and will canvass additional measures to expand the share of wind and solar energy. Though camouflaged, these will mean more costs to consumers and coal-based electricity generators and regulations to shore up an electricity system made increasingly insecure by the forced displacement of coal by wind and solar.

Under existing policy measures, subsidised wind and solar must comprise 15 per cent of supply by 2020. That's up from the current 9 per cent, a level that has already forced the closure of low-cost coal generators.

One outcome has been a trebling of the wholesale price of electricity. This in turn is causing the progressive closure of energy-intensive businesses including smelters that were previously the jewels in Australia's industrial crown.

The renewable energy story since the mid-1980s has mythologised an inevitability of carbon-free renewables becoming cheaper than coal as an electricity source. This, so the story goes, will painlessly allow lower emissions of carbon dioxide, which are said to be bringing global warming accompanied by more extreme weather incidents, drought and the disappearance of Arctic ice.

None of these scary climatic events are occurring but the fable continues.

And, notwithstanding ever-promised technology breakthroughs, wind and solar costs remain more than twice those of coal, and their unreliability and dispersed nature impose additional penalties on consumers.

Advocates make shrill claims that wind and solar are now competitive with coal. These can be taken with a pinch of salt because the advocates never support the cessation of renewable subsidies, which would be unnecessary if the claims were true.

Under the Paris Agreement, developed nations, which emit a declining 40 per cent of global greenhouse gases, agreed to reduce their emissions by at least 26 per cent. Third World countries only agreed to take action after 2030 and, in return, countries such as Australia were to provide them increased assistance of $100 billion a year.

Along came Donald Trump who called this a terrible deal and rejected it.

Trump's decision totally demolishes any credibility that the Paris Agreement ever had. Countries such as Australia that adopt abatement measures are now responsible for only one-quarter of global carbon dioxide emissions.

Those countries handicapping fossil fuel-generated electricity are therefore engaging in pointless self-harm.

Australian energy policies, by penalising our abundant low-cost coal, have transformed the nation from having the world's cheapest electricity into one of the world's most expensive.

The US is now unwinding its Obama-era restraints on coal and gas. This is reducing energy costs and attracting energy-intensive business from across the world.

Australia's move in the opposite direction is not only bringing a contraction of energy-intensive industry but is contributing to the general economic stagnation that this week's national accounts foreshadow. Unless our harmful energy policies are reversed, lower living standards are inevitable.