

South Australia's Economy the Victim of a Wind Power 'Suicide Pact'

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South Australia – Australia's 'Wind Power Capital' – is like the cooking show moment where – through the magic of clever editing – a perfect soufflé is slid in front of the camera and the grinning, self-satisfied cook announces 'here's one I prepared earlier'.

Except that, in SA's case, what's been plated up is an unmitigated energy disaster; that no amount of post-production cutting and splicing can salvage. In SA, its wind power soufflé failed to rise and, once failed, has no hope of rising again.

The recipe for the disaster in SA was drawn up by the boys from Babcock & Brown (aka Infigen) and a disgraced American lawyer and convicted con-man, Tim Flato (who robbed his clients of close to US\$400,000, got struck-off, and scuttled off to set up the wind industry in SA and elsewhere) – with plenty of eager help from Greg Hunt's staffer, Patrick Gibbons and his best mate, Vesta's Ken McAlpine (back when they both worked as advisers to a Labor Minister in Victoria, Theo Theophanous) (see [our post here](#)).

STT operatives have been feverishly digging up more dirt on Tim Flato and his fellow travelers. Turns out Tim was, at various critical times, a director of Babcock & Brown and [several of its subsidiaries](#). But, we digress. Back to South Australia and its costly wind power flop, with a short and sharp piece from Alan Moran.

South Australian electricity – the state's suicide mission

Catallaxy Files

Alan Moran

19 February 2016

Here is an object lesson of the effects of [winner](#) picking by governments. South Australia's electricity industry is now threatening to seriously undermine the state's economy.

Back in October 2014, the electricity market manager, AEMO together with the South Australian state based transmission business, ElectraNet, made some ostensibly soothing comments that the wind dominated South Australia system could continue to operate securely.

Wind is inherently unreliable as well as costing two and a half times as much as coal. But the 2014 report said that this reliability depended upon transmission support that allowed increasing amounts of reliable coal generated electricity to be imported from Victoria and NSW.

South Australia is able to boost wind only because of the subsidy which the Commonwealth's renewable program and the state's own measures force consumers of other fuels to transfer to the renewables.

Wind and solar account for [40 per cent](#) (p.5) of South Australia's generation.

By October of last year the officials' balm was being used less sparingly. [The head of AEMO](#), following a series of high priced events in South Australia as a result of the wind stopping – as it does – was warning of increasing blackouts in South Australia unless the transmission system was augmented. And the effectiveness of such a patch up would diminish if subsidies cause the share of wind to increase in other states – in this respect the ALP has an "aspirational" goal of 50 per cent renewable share.

South Australia's problems are about to become more acute with the closure next month of the coal fired 550 MW Northern Power station, a measure brought about by the increasing amount of subsidised wind becoming available.

The latest report [[press release here](#) and the full report here: [Joint AEMO ElectraNet Report 19 February 2016](#)] again addresses the issue in technical language but is foreshadowing major new [investment](#) being required – \$1 billion to duplicate the existing transmission links plus other expenditures to allow for coverage of short term drops in generation.

All this spending is necessary in order to facilitate a shift from a low cost traditional electricity supply to high cost rent-seeker sponsored and trendy wind. These measures hammer additional nails in the state’s coffin. Perhaps the ultimate solution for South Australia, where coal costs are quite high, is nuclear.

The ALP has shifted to support a waste dump but a nuclear generator is a long way off. And in the interim, the government is opening the door to the coal seam and shale exploration that has been rejected by green influenced politicians in NSW and Victoria but again South Australia may have less promising reserves.

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Here’s one STT prepared earlier, with a little help from [Aneroid Energy](#) – the chaotic ‘output’ from SA’s 17 wind farms during May 2015:

