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Australian Energy Market Operator, CSIRO

To Whom It May Concern

I am an Australian citizen and consumer of electricity. I have no background in energy or electricity, however over the last few years I have taken a lot of interest in the energy transition both internationally and in Australia. I want Australia to reduce our emissions and to do it in a cost effective and socially cohesive way, which maintains our way of life.

I have studied the ISP and the GenCost reports at some length and read many comments and discussions on both documents. I do not purport to be expert in these matters but there are a number of things that concern me in the Gencost report.

1. The Gencost report uses a 'sunk costs' principle to determine generation costs in 2030. The projects that are determined to be 'sunk' are a lot of transmission and a lot of storage. To my understanding some of these projects are not even underway and are struggling significantly for social license. The concept that the generation cost is from an investor's viewpoint has no meaning for the average consumer and in no way reflects the true cost to the consumer of electricity supply in 2030. The words often used by Chris Bowen, claiming that wind and solar are the most cost effective generation mechanisms in Australia may be true, but he uses Gencost to support this statement and yet Gencost is answering a different question.
2. Large scale nuclear is not covered by Gencost. Not only is nuclear in France the best example of decarbonising a grid without significant hydro or geothermal, it also provides a by product of heat, which can be very useful in industrial processes, desalination and district heating (although district heating probably has limited use in Australia). UAE have recently opened large scale nuclear on a reasonable schedule, starting from a low base of nuclear industry.
3. Small modular reactors are included in Gencost using 1 failed example. This is unproven technology, however a number of power hungry industries such as data centres and mining are very interested in progress. Continuing to treat nuclear as a non-starter may be very detrimental to Australia over time.
4. The Gencost report appears to be very favourable in its approach to a wind and solar grid vs fossil fuels when determining matters such as coal costs, length of operation etc. A realistic, objective analysis would be so much more useful.

It concerns me greatly that Australia seems to be pushing ahead with a 90% wind and solar grid without any real understanding of the cost to the consumer and that Gencost does not seem to do the thing it is purported to do, ie provide a true cost of options. If Gencost does not provide a picture of the cost to consumers, maybe it should not be produced at all.

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