



Victorian Coalition energy policies to drive higher power prices and pollution levels: Reputex analysis

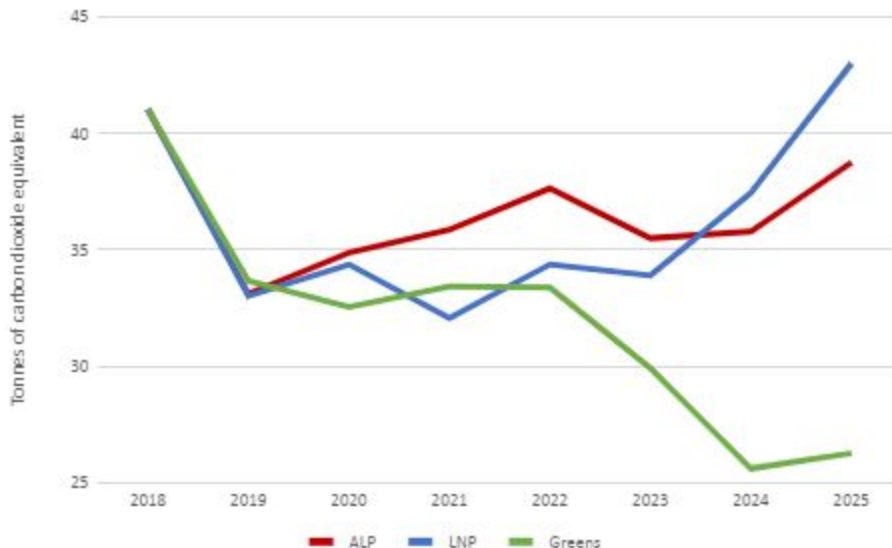
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Greenpeace Australia Pacific commissioned Reputex to model the impact the energy policies of the Victorian Labor party, Liberal/National Coalition, and Greens would have on **electricity prices** and **carbon emissions** down to 2025.

Key findings

Carbon emissions

- The three parties' policies lead to substantially different outcomes for emissions to 2025

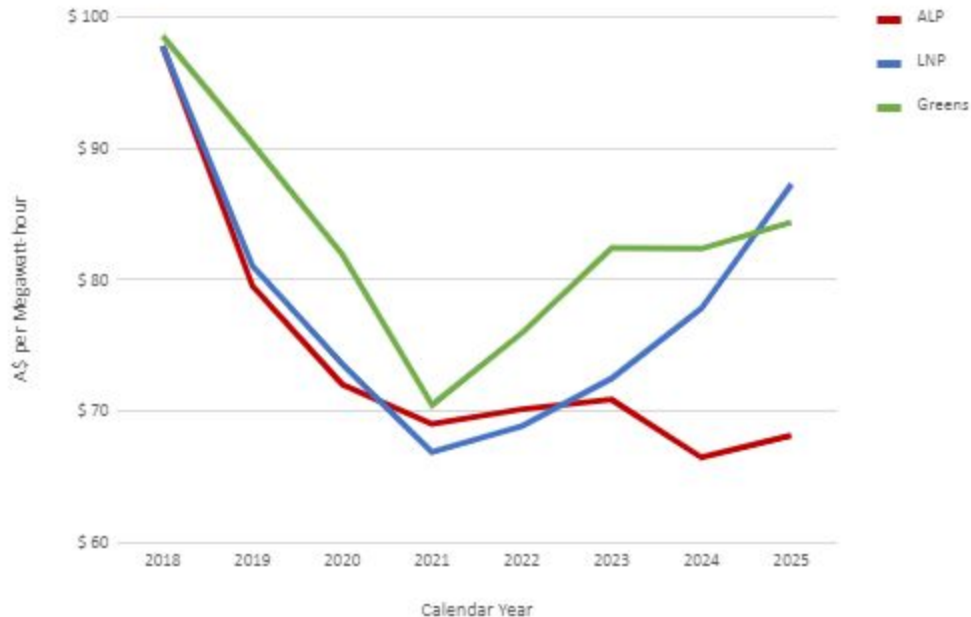


- **Greens policies are most effective at fighting carbon pollution**, with Victorian emissions from electricity projected to fall from 41 million tonnes per annum (Mtpa) in 2018 to 26 Mtpa in 2025: **a drop of 37%**

- **Labor’s policies will see a small reduction in pollution levels** from 2018 to 2025, from 41 Mtpa in 2018 to 39 Mtpa in 2025: **a drop of 5%**. This is because, despite Labor’s current policies leading to **renewables growing to 48% of electricity capacity** in Victoria by 2025, this will not in itself cause any of Victoria’s three brown coal plants to shut down before this date
- **The Coalition’s policies will see Victoria’s carbon emissions rise** by 2 Mtpa from 41 Mtpa in 2018 to 43 Mtpa in 2025, **an increase of 5%**

Prices

- Under all three policy scenarios, wholesale electricity prices fall from their 2018 peak of \$98 per megawatt hour (MWh) towards \$70 per MWh in 2021. This is largely driven by the Victorian Renewable Energy Target (VRET), the National Large-scale Renewable Energy Target (LRET), and rapid falls in the cost of wind and solar
- **Labor’s policies are most effective at keeping power prices low**, at \$68 per MWh in 2025, a **31% reduction** from 2018’s high of \$98 per MWh
- **Greens policies** will lead to a more modest **reduction of 14%**, to \$84 per MWh in 2025.
- **The Coalition’s policies will see power prices rise** from a projected low of \$67 per MWh in 2021, to a high of \$87 per MWh in 2025: **a rise of 32%**, but still around **11% lower than 2018**



Policy outcomes by party

The Labor Party

The ALP’s energy policies will lead to the greatest fall in electricity prices of the three parties, but will only have a modest impact on Victoria’s carbon emissions.

- Wholesale power prices are projected to fall by 31% from \$98 per MWh in 2018 to \$68 in 2025
- A 5% drop in emissions from 41 Mtpa to 39 Mtpa, and no closures of brown coal plants in Victoria
 - This is the result of the planned closure of the Liddell power station in NSW in 2022, which will increase NSW's demand for electricity, much of which is projected to be imported from Victoria
- New build solar and wind to grow to over 7,500 MW by 2025, with a further 600 MW of capacity to manage reliability. This includes 4,500 MW of new generation from 2020 as a direct result of new Labor policy
- 48% of generation is projected to come from renewables by 2025
- Solar Homes initiative to drive over 5 million tonnes of greenhouse gas reductions by 2025 and an average \$750 electricity bill saving per year for participating households

The Liberal/National Coalition

The Coalition's energy policies will lead to the highest power prices compared to the other parties, and a rise in carbon pollution on 2018 levels.

- Emissions will rise 5% by 2025, an increase of 2 Mtpa from 41 Mtpa in 2018 to 43 Mtpa
- Wholesale power prices fall to a low of \$67 in 2021, before rising again to \$87 by 2025 (an 11% reduction on 2018's high)
- 1,500 MW of rooftop solar to be added by 2025, the lowest of the three parties
- 40% of electricity generation to be derived from renewables by 2025
- Much of the Coalition's price reduction can be attributed to the existing VRET scheme's effects to 2020. The Victorian Liberals' policy is to repeal the VRET if they win government

The Greens

Greens policies will lead to the greatest drop in emissions and the highest uptake of renewable energy. Power prices would fall more than under the Coalition, but not as much as under Labor.

- Victorian emissions from electricity projected to fall from 41 Mtpa in 2018 to 26 Mtpa in 2025: a drop of 37%
- Wholesale power prices to fall by 14% from \$98 per MWh in 2018 to \$84 in 2025
- 65% of generation is projected to come from renewables by 2025, with 11,800 MW of new capacity driven by Greens policies
- Over 1000 MW of brown coal capacity to be retired by 2025

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