The Superpower Institute

Level 3, 105 Victoria Street
Fitzroy, VIC 3065
www.SuperpowerInstitute.com.au

Nuclear discussion must be based on latest economic facts": Sims

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"We need the debate on nuclear powered electricity to be based on the latest economic facts", says The Superpower Institute Chair, Rod Sims.

The Opposition Leader today made claims in support of nuclear, which aren't grounded in the latest economic facts.

"The facts are that the costs of nuclear power have been stable or increasing for years while the cost of solar and wind have massively declined. Nuclear is now considerably more expensive than renewable energy for those countries with access to good renewable resources. We should plan for these trends to continue," said Mr Sims.

"Just 15 years ago solar powered electricity was uneconomic. Today, solar power is the cheapest form of electricity, and getting cheaper, for those countries lucky enough to have great solar resources like Australia. The economics of wind have also gone through a similar transition," Mr Sims said.

The economics are clear now. According to Bloomberg: "For over three-quarters of the world's population, they now live in a country where it's cheaper to build new wind and solar generation than any other form of new carbon-intensive electricity supply. Over the past decade, we've seen over a 90 per cent reduction in the cost of buying solar modules. That's an incredible cost trajectory for any technology in any sector of any system".[BM1]

Mr Dutton's speech pointed to examples of nuclear power in other countries.

“These countries often invested some time ago, and simply lack the abundant, high quality renewable resources Australia has. Australia has a clear economic advantage in producing renewable energy over these countries,” Mr Sims said.

Mr Dutton also suggested that Australia’s current plan is a “renewables-only” plan and this creates reliability issues.

“Let’s be very clear: renewable energy can be firmed by a combination of batteries, pumped hydro, a small amount of peaking gas, and other means. Doing this is two to three times cheaper than nuclear power, even accounting for transmission costs.

“Gas is a very expensive form of electricity generation, and any expansion of it beyond peaking, as Mr Dutton advocates for, is clearly going to push up prices”, Mr Sims said.

The Opposition Leader has claimed the cost of the renewables transition is between $1.3 to 1.5 trillion.

“Mr Dutton seems to claim much of this can be avoided by a nuclear-centric plan. While we await to see the costings of this, what we can say is that a plan to build nuclear power on seven sites is going to deliver a fraction of our energy needs by 2050. If the balance comes from renewables, then the costs Mr Dutton associates with renewables will still be borne. If the balance comes from gas, an extremely high-priced source of electricity generation, we can only face much higher energy prices,” Mr Sims said.

ENDS

Notes to Editors:

- Power prices in Australia have increased significantly in the last three years due to rising fuel costs as a result of the Russian invasion of Ukraine, coal plant reliability issues and rising network costs (45% of the typical household electricity bill). Using Australia's abundant renewable energy can deliver the lower power prices Australians deserve.

- All studies show that renewable energy is cheaper for Australia than nuclear. Solar and wind can supply power at about $60-80 a megawatt hour, and much cheaper than this in some areas. When this is firmed so that we have 24/7 reliable electricity using pumped hydro, batteries or gas-fired peaking generation, the cost rises to about $110MWh, including additional transmission costs. This is all known technology and in use in Australia today.

- All the recently built nuclear plants in the US, UK and the European Union since 2000 have seen nuclear power coming in at $200-$300MWh, at best, based on running 90 per cent of the time, and that is in countries that already have well established nuclear power industries.

Media Contact

Ranya Alkadamani | ranya@impacgtroupinternational.com | +61 434 664 589

About the Superpower Institute

The Superpower Institute's purpose is to help Australia seize the immense economic opportunities of the post-carbon world. With unparalleled renewable energy resources and our 'clever country' scientific and engineering capabilities, Australia is perfectly positioned to be a green export superpower in the world of net zero emissions.

The Institute specialises in the policy settings and market incentives needed to make Australia an economic superpower and provides practical knowledge to governments and industry to realise this opportunity.

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