

## **NZ Government Report Says 85% Renewable Resources By 2030 Means Higher Prices**

New Zealand could meet 85 per cent of its electricity demand from renewable resources by 2030 but this will see higher wholesale prices than if a business-as-usual approach is adopted, says a NZ Government energy outlook report. The report canvasses options for energy supply, demand, prices and greenhouse emissions over the next 25 years ahead of the release of a new energy strategy. Under the business-as-usual scenario, which assumes no policy changes, wholesale electricity prices would rise by about 35 per cent and retail prices by 20 per cent by 2030, reflecting more expensive natural gas and the cost of new generating capacity. Under a scenario which would see the amount of power derived from renewables rise to 85 per cent from about 65 per cent, wholesale prices would be half as high again than under the business-as-usual scenario. The renewable option assumes the only coal-fired plant, at Huntly, will close in 2014 and that no new gas-fired generating plants, apart from one now being built, also at Huntly, are commissioned. The increase in demand would be met by more hydro dams and wind farms. While this would reduce greenhouse emissions, residential retail prices would rise by about a third on top of the 20 per cent increase implicit in the business-as-usual case.

[Source esaa news]