

As I [predicted a year ago](#), 2017 was another vicious and bloody-minded year in Australian climate politics. Yet the [political bickering](#) belied the fact that it was actually a [great year for green energy](#).

Nowhere was that more in evidence than in South Australia, which got its [big battery](#) inside 100-day deadline, with the [world's biggest solar thermal plant](#) set to begin construction this year. Elsewhere, Prime Minister Malcolm Turnbull [talked up the prospects](#) of the Snowy 2.0 hydro storage project.

Yet the politics remain as rancorous as ever. The federal government unveiled its [National Energy Guarantee](#) in November, after Chief Scientist Alan Finkel's Clean Energy Target proved too rich for some in the Coalition. Just before Christmas, the long-awaited [climate policy review](#) was released, and [immediately branded as weak](#).

Both issues are unresolved, and are set to loom large on the landscape this year. But what else is on the horizon?

### Domestic bliss

We should always expect the unexpected. But perhaps the most predictable "unexpected" event would be a heatwave, prompting one or more of our creaking coal-fired power stations to [have a meltdown](#). Maybe the "[Big Banana](#)" (as Elon Musk's battery has been branded) will step in again, as it [already has](#).

If fossil fuel power stations fail again, expect to see the culture war heat up again, with coal's defenders using ever more twisting logic to defend their dear dinosaur technology.

Barring the apocalypse, on March 17 South Australians will [go to the polls](#) . Will Premier Jay Weatherill be returned to power, to continue his long-running stoush with federal energy minister Josh Frydenberg? Will heatwaves and power outages help or hinder him? At the moment, polls have

[former senator Nick Xenophon as putative premier](#)

. My crystal ball is hazy on what this would mean for energy policy.

In April there will be a meeting of the [COAG Energy Council](#) at which the NEG proposal will come under scrutiny. Expect it to be bloody. State governments have demanded more modelling, so they can compare the NEG to Finkel's Clean Energy Target that Finkel suggested, and an emissions intensity scheme.

Current SA treasurer Tom Koutsantonis has [raised several concerns](#) with the NEG, arguing that it doesn't give a big enough boost to renewables, and would do nothing to break up the power of the big "gentailers", who generate and sell electricity.

"To proceed, the NEG would require unanimous support at COAG, so this policy is either years away, or won't happen at all," Koutsantonis said. Expect a long-running pitched battle if Weatherill and Koutsantonis are still about, and perhaps even if they're not.

## Funding issues

In the May budget the Turnbull government is going to have to decide what to do about the [Emissions Reduction Fund](#)

, the centrepiece of former prime minister Tony Abbott's

[Direct Action policy](#)

, which replaced his predecessor Julia Gillard's carbon price.

The fund, which lets companies bid for public money to implement emissions-reduction projects, started at A\$2.55bn, and there is [about A\\$260 million left](#) .

Connected to these decisions are questions over whether and how the fund's "[safeguard mechanism](#)", which is supposed to stop the system being gamed, will be modified.

Among the many criticisms levelled at the government's [2017 climate policy review](#), released with little fanfare the week before Christmas, was the proposal to make the already flexible mechanism [even more flexible](#), so as to "reduce the administrative and auditing costs" for businesses.

The government's climate review also says that in 2018 it will start the process of developing a long-term emissions-reduction strategy, to be finalised by 2020. It has promised to "consult widely" with businesses, the community, states and territories, and other G20 nations. Time will tell exactly how wide this consultation turns out to be, although anything would be better than the Trump Administration's [systematic removal of the term "climate change" from federal websites](#).

## Overseas business

The climate review suggests that the Turnbull government will push for more international carbon trading. An unlikely alliance has formed against the idea, consisting of those who view carbon credits as buck-passing, as well as [Tony Abbott](#), who thinks Australian money "shouldn't be going offshore into dodgy carbon farms in Equatorial Guinea and Kazakhstan".

His stance has already been [branded as nonsensical](#) by the business lobby – who, it must be said, stand to benefit significantly from carbon trading.

On the diplomatic front, the United Nations will hold a "[2018 Talanoa dialogue](#)" process, featuring a series of meetings in which major economies will come under pressure to upgrade their climate commitments to meet the Paris target.

As [Giles Parkinson notes](#), Australia had probably thought that they could get away with no climate target upgrades until around 2025.

In October the Intergovernmental Panel on Climate Change will [release a report](#) on the impacts of global warming of 1.5°C – the more ambitious of the Paris Agreement’s twin goals – and the emissions pathways we would need to follow to get there. Expect climate deniers to get their retaliation in first.

The next UNFCCC Conference of the Parties (number 24 in a never-ending series) will be held in December in Katowice, in [Poland’s coal heartland](#) .

### Others’ predictions and my own

So, [prediction is very difficult](#) , but most of us like to indulge. Reneweconomy asked Frydenberg, his opposite number Mark Butler, and the Greens’ climate spokesperson Adam Bandt [what they thought was coming up](#) .

Frydenberg talked up “innovative projects” like this summer’s [demand response trial](#) and Snowy 2.0.

Butler gloomily forecasted more policy chaos and renewables-blaming, while Bandt was sunnier, predicting that 2018 will be “the year of energy storage” as the economics for commercial and household batteries begin to stack up.

Bandt also thinks the public debate will heat up as extreme weather hits, and the national security implications become (more) obvious.

Well, it will be fun to watch **whether** the Minerals Council pulls its horns in under the [threat of BHP pulling out](#)

. Early signs would [suggest not](#)

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Will other mining companies defect?

## Climate politics in 2018: another guide for the perplexed

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Will battery storage get a [grip on the grid](#) ?

Will Adani [pull the plug on Carmichael](#) under continuing pressure from campaigners?

Well, here are some safe predictions.

Donald Trump will continue [being Donald Trump](#) . Liberal and national backbenchers will put pressure on Turnbull to do what John Howard did when George W. Bush was in the Oval Office – namely, get into the United States’ slipstream and take advantage of the lowered ambition.

There will be further [stunning developments](#) in energy storage, and the prices of solar and wind will [continue to plummet](#) .

Meanwhile, Australia’s emissions will [continue to rise](#) , as will the atmosphere’s [carbon dioxide concentrations](#)

*Marc Hudson does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.*

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