

SOUTH WEST INTERCONNECTED SYSTEM — CARBON EMISSIONS

4283. Mr C.J. Tallentire to the Minister representing the Minister for Energy

I refer to the Minister's recent statements in which he notes that in recent years the dominant proposals for large new fossil fuel generators on the South West Interconnected System have been exclusively coal-fired. Given this trend, and the ongoing escalation in domestic gas prices which make it unlikely that gas will be able to compete with coal-fired generation, even under a modest carbon price scenario, I ask:

- (a) could the Minister outline precisely how the State's energy generation portfolio can become less emission intensive when, in fact, all indications are the generation mix is set to become more emissions intensive?

Mr J.H.D. DAY replied:

- (a) There are a number of factors that will combine to influence the energy mix and therefore the trend in the greenhouse intensity of electricity supply in Western Australia.

The Western Australian Government is developing the Strategic Energy Initiative: Energy2031 (SEI) and the complementary Cleaner Energy Initiative (CEI). In the future, a broad mix of electricity generation can be expected, including from lower carbon intensive sources. Emissions from the energy sector can also be reduced directly through reductions in energy demand and improvements in energy efficiency. The SEI and the CEI will serve to establish the framework within which that can occur.

Notwithstanding the development of the SEI and CEI, I note that new coal fired generators are significantly more efficient than many of the ageing generators connected to the network. These new generators will, over time, replace their older counterparts, increasing the overall efficiency of generation in the state. In addition, Verve Energy is currently constructing two state of the art high efficiency gas turbines at a total cost of \$263 million. These new turbines will improve the emissions intensity of Verve Energy's generation portfolio.

At the same time, the Commonwealth's renewable energy target will drive the development of renewable energy projects in Western Australia with a consequent reduction in greenhouse gas emissions. For example, the 206 megawatt Collgar wind farm will increase the proportion of renewable energy on the South West Interconnected System from 5% to approximately 9%.

New measures are also being examined which have the potential to impact on emission intensity of energy generation, including the Collie South West Hub carbon capture and storage project and the Australian Governments' National Low Emissions Coal Initiative and the Clean Future for Power Station policy framework.