

ENERGY — SUPPLY

**540. Ms J.L. HANNS to the Minister for Energy:**

I refer to the Cook Labor government's commitment to deliver a sensible and stable energy transition.

- (1) Can the minister outline to the house how the retirement of unit 6 at Muja power station will be delivered in a responsible manner?
- (2) Can the minister advise the house how this government is continuing to support local workers in Collie as Western Australia transitions out of coal?

**Mr W.J. JOHNSTON replied:**

I thank the member for the question. I know her deep commitment to seeing a genuine transition for the people of Collie. I know it affects her on a personal level as well as being the member of Parliament for her community.

- (1)–(2) The government is deeply committed to a sensible transition away from coal. I highlighted something a minute ago in answer to an opposition question about swings in the system. I want to again demonstrate that challenge with this chart, which is the same chart but for the first week of January this year. Again, we can see these massive swings, from below 1 000 megawatts of demand to more than 3 500 megawatts of demand. That is why it is so hard to have coal-fired power stations working as they are designed to work. They are designed to grind away as baseload, always providing the same level of energy from their systems. They do not work very well when they need to do what in the industry is called ramp—respond up and down to the demands of the system. That is why we have to close the plant. It is not an ideological choice; it is a practical decision that reflects the changing nature of the energy system.

We respect the workers in Collie, who have delivered energy security and continue to deliver energy security for Western Australians. That is why we are working directly with Synergy for the workforce at Muja and Collie, and indirectly with the broader community, on a solid transition.

This announcement today reflects that we are listening to the advice we receive from the energy experts who operate the system. When the Australian Energy Market Operator changed its prediction for the future demand for electricity, we responded to that. The decision to retire the units was made four years ago. Now, the advice that we have received is different from the advice received four years ago, so we are outside the market continuing to make Muja C unit 6 available for that extra summer so that if AEMO needs additional support from that unit, it will be available to AEMO. We do not expect that it will be needed, but we want to make sure that if it is needed, it will be available. We know that if we need to extend the life over a long time, it will be costly. We do not want to have a Muja AB disaster like when the former government spent \$320 million trying to breathe life into that old unit. We do not want to make the same mistake that was made by the former Liberal government of breathing life into and trying to hold onto equipment beyond its useful life.

We are committed to supporting the workforce through that additional transition period. Synergy is talking to the affected workforce and I look forward to visiting Collie very soon to again engage with the workforce. The community knows, because it has seen it already, the Cook Labor government's commitment to that community. Every time I go to Collie, I am amazed at the new jobs that have been created down there. We are still working with major industrial users at the different sites down there. The fact that both Neoen and Synergy are building grid-scale batteries in Collie is a reflection of the advantages of that location. We want to continue to work with the community down there because we want to thank them for their years of service and we want to support them through this important transition.