

ENERGY — SUPPLY

522. Dr D.J. HONEY to the Minister for Energy:

The most recent Australian Energy Market Operator's *Gas statement of opportunities* for Western Australia has already forecast a gas shortage in the forward estimates to 2032, with additional strong growth in gas demand fuelled by the premature closure of government coal-fired power stations, delays in future gas projects due to extended approval processes, and the financial insecurity around our two major coal mines.

- (1) What is this government doing to ensure that we do not see a repeat of the requirement for industry to shut down over summer to cope with peak energy demand, as we saw in January this year?
- (2) Is the minister persisting with plans for the forced early shutdown over the government-owned coal-fired power stations in Collie?
- (3) Is the minister still confident that we will not see the state plunged into an energy crisis in the next few years because of his mismanagement of the energy sector?

Mr W.J. JOHNSTON replied:

- (1)–(3) This is a bizarre question from a man who does not know his own role. I recently saw a letter signed by the member for Cottesloe. On his letterhead, he said that he was the shadow Minister for Energy. Indeed, in his signature block, he also says that he is the shadow Minister for Energy. Perhaps the Leader of the Opposition could remind us who the shadow Minister for Energy is, because I thought it was Hon Dr Steve Thomas. In fact —

Dr D.J. Honey: That was an old letterhead!

The SPEAKER: Order, please!

Several members interjected.

The SPEAKER: Order, please!

Mr W.J. JOHNSTON: How come it was in his address block? How come a letter that he signed this month states in his address block that he is the shadow Minister for Energy? He is a man who cannot remember his own job title; it is not surprising that he does not understand anything about energy policy in Western Australia.

I just want to point out a few things here. In January this year, there was no energy crisis that forced industry shutdown. What occurred was when Santos was not able to deliver gas to two companies that buy their gas from Santos, those companies then used the flexibility and dynamic nature of Western Australia's energy sector to buy gas to fulfil those needs that were contracted by Santos from Chevron. Chevron's gas supply was extra to the gas supply that Santos was required to provide to its customers. Those two customers made business decisions to not have gas in storage. There were three other large users of natural gas at the same time that were impacted by the three outages caused by mechanical equipment failure at these privately owned gas facilities: Synergy, Alinta Energy and Wesfarmers' Kleenheat. All those companies had gas in storage and were therefore able to manage the issues for that short period while the Wheatstone facility was brought back online.

There are 11 separate points of injection of natural gas in Western Australia; indeed, I note that the North West Shelf facility is running significantly below its nameplate capacity. If there were a genuine crisis of energy supply in Western Australia, the North West Shelf could significantly increase its supply.

I also note that if there were a genuine energy crisis, laws in Western Australia provide enormous powers of intervention to both the Minister for Energy and the Coordinator of Energy. Had those powers needed to be used, they could have been used. But the fact remains that they were never required in January this year.

Now, there is a separate issue. That is what the member got wrong in his preamble. Then he went to the question of the transition of the energy system in Western Australia. Firstly, I want to remind the member for Cottesloe that even after the 2021 election, he was still promoting his plan to close all government-owned coal-fired power stations, not in 2029, but in 2025. That was his policy! He was elected at the last election and he sits in this chamber on the basis of his policy, which was to close every government-owned power station by 2025, and then he comes along and criticises our structured, sensible plan. He also forgets about why we have come up with our structured, sensible plan. We are not going on ideology like he did at the election when he said that hydrogen was the future and that only hydrogen production could supply energy to the south west system here in Western Australia.

Dr D.J. Honey: You know that's not true.

Mr W.J. JOHNSTON: That is exactly what you said. Go and read your own documentation! I point out to the member that the reason we are retiring the coal-fired power plants is they no longer fit into the energy system in Western Australia.

Ms J.J. Shaw: And he was on the committee!

Mr W.J. JOHNSTON: He knows this!

Ms J.J. Shaw: He knows this!

Mr W.J. JOHNSTON: That is exactly right. This is the thing.

Ms J.J. Shaw: He made the recommendations!

The SPEAKER: Order, please!

Mr W.J. JOHNSTON: It is absolutely true that he was on the committee that made these very recommendations. No wonder we are implementing the suggestions that he had. I just put to the member that at some point he is going to have to stop listening to the people who look at the past and start thinking about the future. We have the big battery already working in Kwinana, the Kwinana battery energy storage system 2 under construction, and CBESS down in Collie is awaiting planning approvals, but long-lead items have already been purchased and the contractor has already been arranged. Neoen is also building a battery in Collie. Another company—it is up to that company, because it is a listed company—is pending for its battery. The electrical system in Western Australia is transitioning at pace. We have the north west interconnected system. For the first time in 40 years, we finally got agreement to an integrated energy scheme in the north west. The achievements in the energy system here on this side of the Parliament are legendary, and the member sits there, advertising his ignorance and showing his lack of understanding.