



THE AUSTRALIAN POWER PROJECT

THE REASON WHY THE SA GOVERNMENT HAD TO ACT NOW ON ELECTRICITY

Tuesday 14 March, 2017

South Australian Premier Jay Weatherill had no choice today but to commit to the construction of a new fossil fuel power plant following electricity forecasts showing that the state is facing energy shortfalls on 137 days over the next two years.

And to make matters worse for Jay Weatherill, the data from the Australian Energy Market Operator (AEMO) shows on nine out of every 10 days in the two months immediately prior to the March 17 state election, local electricity supply won't be able to keep up with demand.

The AEMO, in their "Energy Adequacy Assessment Project", calculated that South Australia was likely to suffer a peak electricity deficit of 531 MW over the summer months in 2017-18. This shortfall has the capacity to affect 450,000 households, or 70% of all South Australian households.

CEO of the Australian Power Project Nathan Vass said the shortfall in electricity has been exacerbated by the impending closure of the Hazelwood Power Station in Victoria.

"The Hazelwood Power Station supplied 14% of South Australia's total electricity last year.

"The AEMO report notes that the closure of the Hazelwood plant will see the loss of 1,600 MW.

"The report states *The withdrawal of Hazelwood Power Station increases the risk of reliability standard breaches in both Victoria and South Australia in 2017-18, in the absence of any market response*"

"Faced with the prospect of blackouts almost every day in the two months before the next state election Jay Weatherill had no choice but to swallow his pride and admit renewables alone could not keep the lights on. The question for South Australians is can a gas power station be built in time to avoid a summer of blackouts?"

"The sad truth is that South Australian taxpayers are now going to wear a \$550 million bill to fix an energy problem that was completely unavoidable. The South Australian Government simply went too hard, too soon in their support of wind and solar farms.

"Hopefully states like Victoria and Queensland with extremely high renewable energy targets will be privately taking note and ensuring that they tread more cautiously in their move towards renewable dependant energy supplies", he said.

Nathan Vass is a former energy and resources executive who created the Australian Power Project to promote sustainable national energy policy.

Contact: Nathan Vass 0412 972 776