



Blackouts, job losses and higher power bills

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Queenslanders have been warned of a strong possibility of blackouts, job losses and soaring power costs occurring this summer.

Jennifer Brownie Coordinator of the Queensland Electricity Users Network said “Earlier this year Queensland experienced a heatwave which resulted in a new electricity demand record of 9,369 MW with 548 MW of electricity generation in reserve. The record demand set on 12 February occurred on a Sunday afternoon outside of the normal peak demand period of Monday to Friday 4.00 pm to 8.00 pm.

“Had the heatwave occurred on a weekday afternoon, its possible areas of Queensland would have suffered a blackout because about 75% of electricity is used by business,” Ms Brownie said.

Queensland could set new records for peak demand this summer. However, the only significant increase in dispatchable generation capacity since last summer is the re-starting of Swanbank E Power Station in southern Queensland which is not scheduled to be fully operational until 1st January 2018.

Jennifer Brownie said “We are already seeing warnings of power blackouts this summer in Victoria and South Australia where the loss of coal generation has resulted in a heavy reliance on expensive gas and diesel generation to keep the wheels of industry turning.”

Business requires reliable electricity to operate and after 4.00pm this is principally available from dispatchable energy sources such as coal and gas.

Blackouts, job losses and higher power bills are possible if Queensland’s transition to renewable energy is too fast.

“The conditions under which batteries will be considered a source of dispatchable energy is yet to be determined. This is because once the energy stored in a battery is discharged the battery is empty until recharged.”

“The Queensland Government made a decision in 2014 to place the 385 MW Swanbank E gas power station into cold storage for a period of 3 years or until such time as there was a market for its return. The decision to place Swanbank E into cold storage came at a time when modelling by the Australian Energy Market Operator showed a surplus of generation in both the Queensland market and throughout the National Electricity Market. At the time AEMO reported no requirement for more Queensland generation until at least 2024-25.”

The planned re-start of Swanbank E is the result of a significant tightening of supply in the National Electricity Market and increased expected demand in Queensland. The supply of dispatchable energy decreased when South Australia’s last coal fired power station closed 18 months earlier than expected in March 2016 and Victoria’s 1600 MW Hazelwood coal fired power station closed in April this year.

“We are concerned that if intermittent renewable energy is increased too fast, Queensland will face the same unreliable supply and high prices as Victoria and South Australia experiences when the sun is not shining or the wind blowing. This will add to the already high level of financial and emotional stress felt by Queensland businesses and households.”

“Struggling businesses are not in a position to absorb losses caused by blackouts during heatwaves.

“Businesses need to be forewarned if they are to minimise their financial and physical losses.”

“Queensland needs a resilient electricity system capable of providing affordable and reliable dispatchable energy at all times including during periods affected by cyclones, droughts, hail storms, floods, bush fires and cyber-attacks,” Ms Brownie said.

“Queensland should not be lulled into a false expectation of lower prices and improved reliability.”

For further information please contact: Jennifer Brownie, Coordinator, QEUN, ph: 0740 312 865, QEUN website www.qeun.com.au and click link to AEMO Data Dashboard for live feed of *wholesale* electricity spot prices and electricity demand.