

## States can't go it alone on Energy

Andrew Dillion, CEO Energy Networks Australia - Opinion Editorial

There's no such thing as green electrons or brown ones. Your TV and fridge run just the same on solar power from Queensland, wind power from South Australia (SA), hydropower from Tasmania or coal power from the Hunter Valley. Interstate sharing of electricity makes power cheaper and more reliable.

Since the system blackout in SA in September 2016, state governments across our National Electricity Market (NEM), which covers everywhere except Western Australia and the Northern Territory, have adopted parochial and isolationist "my state first" energy policies. While it is human nature to look after your own in a time of crisis, continuing this trend will result in more expensive and less reliable energy supply for all, and more costly emissions reductions.

The solutions to the major energy challenges we face will only be found in a collaborative approach.

South Australia leads the world in intermittent generation - wind and solar - and the adoption of cutting edge technology, such as the 100 megawatt Tesla battery at Hornsdale. Some have seen the fall of the Weatherill Government as the end of pro-renewables energy policy, but that's unlikely when renewables are the cheapest new-build generation. What the SA election might mark is a retreat from a high-watermark of federal versus state energy antagonism. A government investing in new electricity generation that competes with the private sector creates uncertainty - laws that give a state minister power to direct private generators only exacerbate that.

A state attempting to direct flows on an interconnector, a role already assigned to the Australian Energy Market Operator (AEMO), risks us sliding into some sort of weird state energy trade war. A Trump-like approach cannot possibly work.

Read the full article [here](#)

## AGL commits to new power station

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AGL Energy has committed to build a new \$400 million, 252 MW gas-fired power station near Newcastle in New South Wales.

With sites currently being assessed near AGL's existing Newcastle Gas Storage Facility, the new station will consist of 14 reciprocating engine units capable of each generating 18 MW of capacity.

AGL is aiming for the power station to be complete by 2022.

"AGL is committed to supporting the orderly transition of Australia's electricity generation capability to modern, clean and reliable energy," said AGL Managing Director and CEO Andy Vesey.

"That's why we gave seven years' notice of when we intend to close the Liddell Power Station at the end of 2022 and we are pleased to commit today to build the power station near Newcastle."

AGL has now committed ahead of schedule to Stage 1 of its NSW Generation Plan, which it submitted to the Federal Government and the Australian Energy Market Operator (AEMO) in 2017.

It will also continue to assess a potential to develop a further 500 MW of gas-fired generation as part of Stage 2 of its plan.

"AEMO has confirmed that our plan addresses the capacity shortfall that may occur as a result of Liddell closing, and we remain committed to working with AEMO to deliver on that," said Mr Vesey.

However, Minister for Energy and the Environment Josh Frydenberg says the new plant's 252 MW capacity will do little to address the potential shortfall when Liddell closes.

"I welcome more investment, whether it's by AGL or other players in domestic gas facilities, but let's bear in mind this is an additional 200 MW of capacity," said Mr Frydenberg.

"It's a peaking plant. When Liddell closes that's 1,800 MW of capacity that will be taken out of the system."

The Liddell Power Station is currently a major sticking point in the national energy conversation, with some in the Federal Government insisting AGL keep it open beyond 2022, while others say that the market must be allowed to run its natural course.



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