



Speech by

Hon. T. McGRADY

MEMBER FOR MOUNT ISA

Hansard 21 June 2000

MINISTERIAL STATEMENT

Electricity Interconnector

Hon. T. McGRADY (Mount Isa—ALP) (Minister for Mines and Energy and Minister Assisting the Deputy Premier on Regional Development) (10 a.m.), by leave: In August 1996, Queensland, New South Wales and Federal Energy Ministers announced in-principle agreement to an electricity interconnection between Queensland and New South Wales. I might add that this decision came just months after the Borbidge Government had canned a previous interconnection project, which they termed "an extension lead across the border". They obviously changed their minds about this extension lead and recognised the benefits, the advantages and the necessity of interconnecting with the southern States. Unfortunately, their intervention cost Queenslanders dearly through the loss of access to cheap surplus power from New South Wales for several years. However, the Beattie Government does support interconnection for the longer-term opportunities and the benefits it will bring.

On coming to office, this Government took action to shorten the construction timetable for the revised interconnector to ensure the availability of additional capacity, to improve the overall security of the Queensland system and to provide an avenue for the export of Queensland power. As currently configured, the interconnector will allow for maximum electricity flows of 1,000 megawatts southwards and 500 megawatts northwards. The difference in flows north and south is a result of constraints within the New South Wales network.

As previously stated, the timetable for the interconnector has been brought forward by about one year. I am pleased to inform the House that Powerlink and Transgrid are currently on track for the completion of construction work by October of this year, instead of October next year. All of the civil construction work has been completed, as well as the majority of the electrical work.

Commissioning tests will begin soon for the Tarong to Braemar section of the transmission line, followed by the Braemar to Texas section in September. Once construction has been completed, further system tests will begin to ensure its correct operation within the national electricity market. It is expected that the interconnector will be able to carry 350 megawatts by December of this year and reach its full capacity by March of next year.

In relation to the costs involved, an original independent estimate calculated the total cost of the Queensland component to be about \$242m. To date, contracts totalling some \$170m have been let by Powerlink for the major supply and construction work within Queensland. And with the utilisation of the current technology, Powerlink is expecting to complete the work for less than the original cost estimates.

When it is completed, the level and direction of electricity flows through the interconnector will depend primarily on the relative electricity pool prices in the New South Wales and Queensland regions. It is anticipated that Queensland will be a net importer of energy immediately after commissioning. However, with the commissioning of the Callide power project in 2001 and the Millmerran Power Station anticipated in 2002, this position will probably be reversed, with major exports from these latest technology, highly efficient generators flowing into New South Wales. In this way, Queensland will have the benefits of a more secure supply system using the interconnector as a backup, while taking advantage of the opportunities it will present for exporting electricity to the southern States.