

## QUESTION ON NOTICE

No. 220

asked on Thursday, 22 February 2007

---

**MR WEIGHTMAN** ASKED THE MINISTER FOR MINES AND ENERGY (MR WILSON)—

QUESTION:

Will he inform the people of the Cleveland Electorate of what initiatives the Queensland Government will be employing to overcome the greenhouse gas challenge?

ANSWER:

Queensland's remnant vegetation broadscale clearing policy contributed significantly to recent reductions in greenhouse gas emissions at the national level. Queensland's early abatement actions also include the 13% Gas Scheme.

The Queensland 13% Gas Scheme, which took effect on 1 January 2005 and requires electricity retailers and other large electricity users in Queensland to source at least 13 percent of their electricity from gas-fired sources, has diversified the State's energy mix and will continue to contribute to emission mitigation efforts going forward. Each kilowatt-hour of electricity produced from natural gas creates about half as much greenhouse gas as coal-fired generation, reducing the growth in emissions.

Given that over 80 percent of the State's electricity comes from coal-fired power stations, clean coal technologies, such as integrating a power station with carbon capture and storage, have the potential to reduce emissions from electricity generation by between 80 to 90 percent.

I am pleased to note that Queensland will be the location of three low emission technology demonstration projects of national and international significance.

At the Callide Power Station (in Biloela) operated by Queensland Government-Owned Corporation CS Energy, a consortium including Japanese investors is currently developing the world's first oxy-fuel clean coal power plant with carbon capture and storage, at a total cost of \$188 million. This project has been endorsed by the Asia Pacific Partnership on Clean Development and Climate, reflecting the project's importance to the national and international energy communities.

The \$445 million Fairview Enhanced Coal Bed Methane project near Roma will establish a 100 megawatt combined cycle gas turbine fuelled by coal bed methane, with capture technology incorporated into the plant and injection of the captured carbon dioxide back into the coal beds.

ZeroGen, a subsidiary of Stanwell Corporation, is also developing an integrated gasification combined cycle and carbon capture and storage demonstration project for Central Queensland.

These projects build on the State's already impressive research and development capabilities located in Pullenvale, which include CSIRO, the Centre for Low Emission Technology and the Cooperative Research Centre for Coal in Sustainable Development. The Queensland Government has also committed \$300 million from the Queensland Future Growth Fund to facilitate the deployment of clean coal technologies.

In terms of energy efficiency, the recently announced \$14.25 million 'Energy Choices' builds on the Queensland Government's continued commitment to the National Framework for Energy Efficiency. Over the next three years, the Energy Choices package of initiatives will target domestic gas installations, expand the State's successful EnergyWise awareness program and manage the Government's energy use through the Government Energy Management Strategy.

Renewable energy will continue to play an important role in Queensland. Biomass (primarily bagasse, or sugar cane waste) is the most important source of renewable energy in Queensland. Currently there is around 400 megawatts of biomass generation capacity in Queensland.

The Queensland Government is providing \$5 million over five years for an innovative project that will trial solar energy and smart metering technologies combined with energy efficiency measures in an urban grid-connected location. The Townsville Solar City Project, which is led by the Government-Owned Corporation, Ergon Energy, will install 500 solar Photovoltaic systems and 2,500 smart meters, as well as perform 1,700 energy audits. It is expected that the project will generate 11 gigawatt hours of renewable energy and reduce greenhouse gas emissions by over 50,000 tonnes to 2013. This is equivalent to taking 1,700 cars off the road over the life of the project.

The Queensland Government also introduced a Sustainable Housing Code on 1 March 2006, which requires the installation of energy and water efficient equipment and devices in new homes. The greenhouse emissions reductions from this initiative will accrue over time as more homes are built to these standards.

Queensland continues to participate in the National Emissions Trading Taskforce and has supported in-principle the need to introduce an emissions trading scheme, subject to a number of conditions including Commonwealth participation. Certain design elements must also be resolved, such as support for low emission technologies, the equitable distribution of carbon auction revenue amongst the states, and protection mechanisms for energy-intensive, trade-exposed industries.