QUESTION ON NOTICE

No. 559

asked on Tuesday, 17 April 2007

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

QUESTION:

With reference to the reduced power generating capacity in the south east caused by the need to conserve water –

Will he detail the contingency plans in place to deal with the further loss of power generating capacity and supply resulting from (a) further reductions in water consumption beyond present limits, (b) delays in construction in new water infrastructure such as the western corridor pipeline, (c) increasing demand for energy from business, industry and residents and (d) failure of any part of the remaining power generation and supply grid?

ANSWER:

South East Queensland is experiencing the worst drought on record.

Along with the community and other industries, power stations in the South East are playing their part in conserving water. Swanbank Power Station near Ipswich and Tarong Power Station near Kingaroy are maximising their efficiency of water use by switching to alternative water sources, implementing a range of water saving measures and reducing electricity output and water use during low demand periods.

Tarong Power Station was directed to cease drawing water from Wivenhoe Dam in March 2006 and began conserving water by reducing electricity output at the start of the year during low demand periods. At the end of March 2007 Tarong Power Station put two of its four units on standby, with one unit available to restart at short notice. It is also reducing output from the units retained on-line. This strategy is to maximise water savings whilst being available to meet periods of peak electricity demand. Tarong North Power Station, a 50/50 joint venture between Tarong Energy and Tepco Mitsui, also commenced significant scaleback of electricity generation to save water.

Tarong Power Station has implemented on-site measures to reduce its water consumption, including recycling storm water, seeking to increase the allowable level of dissolved solids in its discharges and providing recycled blowdown water, rather than raw water, to the adjacent coal mine.

Similarly, Swanbank B and E power stations have implemented a range of water saving measures including reducing electricity output and water use during low demand periods, modifying the timing of Swanbank B overhauls, collecting stormwater to supplement cooling water, recycling boiler blowdown water to Swanbank Lake and recycling all raw water up to five times.

Importantly, these reductions in water usage by our power stations are being achieved while maintaining reliable bulk supplies of electricity to the region. Overall, Queensland has more than 10,500 megawatts (MW) of installed generation capacity; and with commissioning of the 750MW Kogan Creek Power Station later this year, total installed capacity will rise to over 11,000 MW, well in excess of the State's electricity needs. The Beattie Government's Kogan Creek Power Station will be air cooled, using one tenth of the water of its wet cooled counterparts.

Since 1998, $6 billion has been invested in Queensland's power generation for the National Electricity Market. This is around 75% of the $7.8 billion spent throughout Australia in the same period.

The Queensland Government had the security of SEQ's electricity supply analysed by a taskforce including representatives from Powerlink, the Queensland Water Commission and other government departments. The Taskforce also took advice from Tarong Energy Corporation and CS Energy. The Taskforce considered ways to modify generation to conserve water, while at the same time ensuring that the power stations at Swanbank and Tarong remained on-line and had the flexibility to maintain security and reliability of supply. Advice to government from the Taskforce is that south east Queensland has sufficient supply options for the bulk supply of electricity from southern Queensland power stations, plus transmission links to Central Queensland and the national grid to reliably meet the requirements of customers in South East Queensland.

When the $1.7 billion Western Corridor Recycled Water Pipeline comes on line it will provide reliable supplies of purified recycled water to SEQ's power stations. The Queensland Coalition has opposed this project, along with our other water initiatives every step of the way. Our policy stance is to secure both the security of electricity and water supply to SEQ.

Once completed, the Western Corridor Recycled Water Pipeline will be the largest recycled water scheme in the southern hemisphere.

Together with measures already implemented by the region's power stations, the Western Corridor Recycled Water Pipeline will ensure two of South East Queensland's biggest power stations are provided with a secure supply of purified recycled water to meet Queensland's growing electricity demand.