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

With reference to clean coal base load power stations-

(1) What plans or studies are there for a new clean coal base load power station for North Queensland?

(2) Will he supply details of anticipated future need for power in the north over the next 10 years and details of plans, if any, to meet this demand?

ANSWER:

(1) Queensland operates with an open market place for the supply of electricity generating capacity and the Government is aware of a number of new project proposals within the State. In terms of electricity supply to North Queensland this Government is setting development of the Northern Economic Triangle as a clear objective and has established the policy setting for clean coal technology development in the recently released Climate Smart 2050. We will be encouraging generating companies to consider power projects that satisfy these objectives and policy settings in the competitive electricity market place.

Additionally, the Government has formed the Clean Coal Council as result of the Clean Coal Technology Special Agreement Act 2007. The Council will advise about priorities for funding the development, demonstration and widespread implementation and use of clean coal technology. The Council will also make recommendations about which project should receive funding from the Australian Coal Association's voluntary Coal21 Fund for clean coal technology development. This framework will advance the development and demonstration of clean coal technology for its widespread implementation in Queensland.

(2) Powerlink advises that the electricity demand in north and far-north Queensland is projected to grow steadily at 3.5 percent per annum over the next 10 years.

Powerlink plans to invest $750 million over the next five years to reinforce electricity supply to North and Far North Queensland.

Powerlink will undertake a $450 million plus project to reinforce its high voltage transmission network between Central and North Queensland in three stages, to be completed in late 2007, 2008 and 2009 respectively. The first stage, currently under way, includes construction of a 275 kilovolt transmission line between Broadsound and Nebo and installation of power compensation equipment at Strathmore. The second and third stages potentially would involve the Nebo to Strathmore line and the Strathmore to Ross line, respectively. The second stage is expected to commence construction later in

2007. Powerlink will review the timing for the third stage based on load and generation developments in the region.

Powerlink is also investing more than $115 million in transmission upgrades to its network in the Townsville/Thuringowa area and approximately $190 million in transmission upgrades to the Far North Queensland area.

With regard to new generation, AGL has announced its intention to develop a power station project in Townsville. The new power station would use a combined cycle gas turbine with the latest high efficiency technology, providing enhanced environmental performance.

A Townsville gas-fired power station could be supplied with coal seam gas from Moranbah and other nearby fields. The Moranbah Gas Project is one of Australia's largest producing coal seam gas projects and currently supplies the Transfield-operated Townsville Power Station.

With the extension of the 13 percent gas target scheme to an 18 percent target under the ClimateSmart 2050 Strategy, further gas-fired generation proposals are likely to be committed – for example:

- Origin Energy recently announced it will construct a new 630 megawatt power station in the Darling Downs, to be completed by 2009.

- ERM Power has recently announced that it is proceeding with plans to double the capacity of its gas powered Braemar Power Station by 2008-09. The expansion of the Power Station from 450 megawatts to 900 megawatts will help reduce Queensland's dependence on coal generated power and reduce greenhouse gas emissions.