



The key power points

Premier Jay Weatherill's long awaited "dramatic intervention" in the national energy market was destined to create controversy and debate. *The Advertiser* canvasses the views of key industry players and politicians on the \$550 million blueprint to safeguard South Australia's energy security.

JOSH FRYDENBERG

Federal Energy Minister

"We are seeking advice on whether the decision today by South Australia to go it alone is in breach of the national electricity market rules, which has kept the system together for the last 20 years. Going it alone created South Australia's problems and going it alone won't fix South Australia's problems. In fact, the measures announced today will only increase electricity prices for South Australians."

BILL SHORTEN

Federal Opposition Leader

"If the reports are correct and Jay Weatherill is putting on more baseload gas supply, investing in new renewable energy battery storage and a range of other measures, Jay Weatherill is getting on with it. The real question here is, why is Malcolm Turnbull spending so much of his time as Prime Minister bagging out Labor and bagging out the states when we have got a national energy crisis? We need to work together and that is why Labor has called for a national emergency conference."

STEVEN MARSHALL

State Opposition Leader

"I'm disappointed that Jay Weatherill didn't apologise to every South Australian today.

Since Jay Weatherill forced the Northern Power Station to close down, South Australians

have suffered blackouts, price hikes and now tax rises to pay for that foolish decision.

South Australians have been paying massive power bills and the latest one comes in at more than half a billion dollars. South Australians must be allowed to compare the relative cost to their electricity bills and tax burden of keeping the Port Augusta power station operating and forcing it to shut."

NICK XENOPHON

South Australian Senator

"This is a smart plan down the right track but we should not have got to this crisis point in the first place.

It's a crisis we didn't have to have and the question is how much damage has been done to the state. Now is the time for the Commonwealth Government to step up to the plate."

ANTHONY PENNEY

Business SA executive director

"We've been calling on all levels of government for the past 18-24 months to come up with a solution to affordability, reliability and security issues in the energy market. We're looking for and support a national solution, but we absolutely get the urgency of what needs to be done for SA.

We do absolutely support some of the State Government's key points, but we do have concerns with others. (Introducing new ministerial powers to direct the market) could

be seen by other governments as a slightly antagonistic move,

we'll just have to wait and see. We would not want to see other similar legislative changes in other states put SA at a disadvantage. We need to see the devil in the detail before we give wholesale support."

REBECCA KNOL

SA Chamber of Mines and Energy chief executive

"We welcome today's initiative — it sends a huge confidence boost to SA businesses, for which we are very grateful. We're particularly pleased that the Government is tackling the battery storage issue ... and also the gas initiative — it's much more than a transitional fuel.

SACOME's position has been we need a discussion around battery storage. There are a lot of players in the marketplace, but I do think it's important for SA that we have the dialogue.

All of our member companies need affordable and reliable power, and they haven't got it at the moment but today, the Premier has put in place a solution."

BHP BILLITON

"We welcome today's announcement from the SA Government. BHP Billiton has been working closely with them throughout the recent period of instability in the electricity market. It was pleasing to see

the plan address the critical issue of energy security through a number of infrastructure and policy initiatives.

We look forward to engaging with industry and government stakeholders on the technical details and implementation. Critical to this will be understanding the pricing implications. SA businesses and residents cannot afford a repeat of the energy issues experienced over the past eight months, and we look forward to immediate steps being taken which will provide greater energy security for the state before the end of the year."

AGL

"The SA energy plan appears to be a considered and comprehensive approach to meeting current challenges in the market. It outlines the key issues facing SA with regard to being a world leader in the integration of renewables.

Energy security and reliability are likely to be enhanced as a result of this package. While national reform of the energy market architecture is urgently required, these SA reforms will address some key issues required for the more cost-effective integration of increasing renewable energy generation and the foreshadowed integration into a national Energy Intensity Scheme is welcomed."


AMANDA MCKENZIE
Climate Council chief executive

“Smart, clean renewable energy coupled with storage technology is the future of Australia’s energy system. Renewables and

storage technology means zero emissions, affordable power and electricity that’s available every hour of every day. Australia’s energy system is ageing, inefficient, polluting and is not coping as extreme weather events worsen. This increase in battery storage would build resilience into the SA grid, while maximising supply.”

CRAIG WILKINS
Conservation Council
SA chief executive

“A strong intervention was clearly required to calm the system down after the game-playing and politics over the last few months. While we strongly welcome the \$150 million renewable technology fund, the new powers to maintain reliability and a commitment to build Australia’s largest grid-connected battery, a new gas-fired power station costing \$360 million is a hyper expensive lock-in of an energy source that is supposed to be a transition fuel only. There is a great risk that a better and cheaper option to provide grid security than a gas-powered station will emerge even before we as taxpayers receive the keys to the plant.”

ROSS WOMERSLEY
SA Council of Social Services chief
executive

“We, like the business community, share some concerns on the cost attached to things like the gas-fired power station, and we would like to have seen

a very comprehensive analysis of all the options on the table and make some sense of which of those is the wisest investment into the future.”

JAMIE NEWLYN
SA Unions president

“Working families deserve to come home after a long day to their power being on. We’re thankful there’ll be additional jobs and we hope they’ll be sustainable into the future. I think, with hindsight, the State Government might have helped keep Port Augusta (power station) open for a bit longer.”

MARK PARNELL
State Green leader

“Apart from a modest spend on batteries and some regulatory reform, the bulk of the money is going straight to fossil fuel generation with massive taxpayer subsidies to big gas. There is also a massive missed opportunity to support a concentrated solar thermal plant at Port Augusta or a pumped hydro storage facility.”

DR MARK DIESENDORF:
UNSW Interdisciplinary
Environmental Studies Honorary
Associate Professor

“Understandably, this plan focuses on rapid response to avoid blackouts in the summer of 2017-18. Its emphasis on gaining more local control over a market that’s being manipulated by big players is essential. The commitment to batteries with a power output of 100MW

is a wise measure. However, the announcement of a large gas-fired power station of unspecified type is disappointing.”

IAN LOWE
Flinders University adjunct Professor

“The SA plan is mostly an intelligent response to the need to provide energy security and a managed transition to clean supply. It is great to see some forward planning, in an age when politics is dominated by short-term thinking and opinion polls.”

OZ MINERALS

“We are taking a close look at

the initiatives just announced. We have market announcements scheduled in for the next few weeks, including an anticipated update on power planning at Prominent Hill as part of our quarterly reporting, so will hold off on any further comment until then.”

**ARRIUM ADMINISTRATOR
KORDAMENTHA**

“We applaud the initiatives and welcome any measures that improve the stability of power.”

JOSEPH SCALES
Australian Services Union
state secretary

“This plan provides security to energy workers who have faced uncertainty for some time. We’ve long campaigned for a just transition for workers in the sector.”

DANIEL SPENCER:
Repower Port Augusta spokesman

“The Port Augusta community, which has faced many job losses in recent times, has again been left waiting. We’ve seen some really positive things, like the \$150 million being put into renewable energy ... but we also have serious concern about the new money for fracking and what that will mean for local communities.”

PETER LAMPS
Australian Workers’ Union
state secretary

“While some may view the cost (of the plan) as exorbitant, clearly our energy future must be assured because without that, there are no jobs, no investment. The AWU is pleased with the gas reservation policy, although the State Government might not call it that. It ensures that if taxpayers’ dollars are being used, first and foremost, any gas for the short to medium term is provided back to this state for generation.”

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“Energy security is vital to homes and businesses and we understand the SA Government needed to put this beyond doubt. But breakout measures by state governments should be a last resort in a national energy market and serve as a warning that the COAG (Council of Australian Governments) Energy Council processes are not working effectively.”

