

EnergyAustralia Response to Senate Committee Inquiry into the Retirement of Coal Fired Power Stations Questions on Notice

	Question	Page of transcript	Questioner	EnergyAustralia Response
3	<p>Mr Collette: We are exploring those sorts of things with lots of players. One comment I would make on that is that we are quite mindful of what our employees are looking for, and not all our employees want to retire. We have got a number of older workers who really like their job and they want to continue to do it. However, a number are retiring, and we are already taking action to build the workforce of the future—for example, on two fronts we have taken action: we have taken action on the age front but we have also taken action on the diversity front. So we have gone to market for five female operators and five female apprentices—they would be our only five operators and our only five apprentices who are female. We see the need to change that.</p> <p>Senator DASTYARI: I heard you had several hundred applicants for those five positions.</p> <p>Mr Collette: So we have had over 500 applicants so far.</p> <p>Senator DASTYARI: Over 500 applicants for the five female operators. And how many of them were men who applied?</p> <p>Mr Collette: Over 100 so far.</p> <p>Senator DASTYARI: How many for the apprenticeships?</p> <p>Mr Collette: We have had over a couple of hundred, I believe, so far.</p> <p>Senator DASTYARI: Mr Collette, can you take that on notice—I think that is quite exciting.</p>	22	Senator Dastyari	<p>EnergyAustralia has advertised for five female apprentice roles and five female operator trainee roles at the Yallourn power station.</p> <p>We have received 207 applications for the apprentice roles and 495 for the operator trainee roles.</p>
4	<p>Senator DASTYARI: Mr Collette, you might want to take this on notice: market mechanisms, to achieve the best outcomes. In the AGL submission—again, I am asking you about someone else's submission that you probably have not had a chance to read—they point to four different kinds of market mechanisms that could be used. They point to a Canadian example regarding regulation based on age, they point to a baseline and credit scheme, they point to market funded contracts for closure, and they talk about securitisation. Maybe you can talk to it a bit more broadly, but can you take on notice, if we are making</p>	22	Senator Dastyari	<p>EnergyAustralia consider that the most appropriate policy framework to assist the transition of the energy sector to lower emissions is:</p> <ul style="list-style-type: none"> • National; • Integrated; • Technology neutral; • Least cost; and • Durable (ie. capable of achieving broad political and public support over the long term). <p>Mechanism(s) should be assessed against their capability in meeting all of these objectives.</p>

	recommendations to the government regarding mechanisms and market based mechanisms, how do we achieve those outcomes? Do you want to talk broadly to that, and then maybe you can take on notice some specifics on that?			
8	Can you provide your assessment of the implications for capacity in Victoria and the NEM if Yallourn power station was to close immediately. What would be the implications in five years?	NA	Senator Waters	<p>The Australian Energy Market Operator (AEMO) prepares a Medium Term Projected Assessment of System Adequacy (MT PASA) weekly which lists the medium-term supply/demand prospects for the period two years in advance.</p> <p>AEMO's MT PASA published for the period beginning 16 November for Victoria shows a reserve shortfall of up to 878 MW in Q1 2018 (including projected Hazelwood closure). The implication of an immediate Yallourn closure is likely to exacerbate this shortfall and any future shortfalls by up to the installed capacity of Yallourn of 1450 MW. This shortfall may also have implications for demand/supply balances in other NEM jurisdictions.</p> <p>Source: AEMO, MT PASA, Week Beginning 16 November. Available at http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Data/Market-Management-System-MMS/Projected-Assessment-of-System-Adequacy</p>
9	Can you provide more details on what you see as the preferred mechanism for a phased orderly retirement of coal fired power generation and why?	NA	Senator Waters	See response to Question 4 above.
10	Given the increasing gas prices in Australia, what is your forecast for LCOE of gas fired generation over the next decade?	NA	Senator Waters	<p>The LCOE of gas fired generation over the coming decade will vary according to several factors, including gas prices.</p> <p>We consider the LCOE estimates of \$195/MWh (10% capacity factor) for open cycle gas turbine generation and \$73/MWh (83% capacity factor) for combined cycle gas turbine generation to be a reasonable assessment based on the inputs costs at the time of the report.</p> <p>Source: AEMO, South Australian Fuel and Technology Report, January 2015. Available at http://www.aemo.com.au/-/media/Files/PDF/2015_South_Australian_Fuel_and_Technology_Report.pdf</p>

21	Once Hazelwood closes, Yallourn will be the dirtiest power station in Australia. Does that mean your power station should be the next to retire?	NA	Senator Waters	<p>We support an industry transition which provides emissions reductions in a manner that provides affordable and reliable energy for consumers.</p> <p>Within such a transition, there are several factors which will determine which power station is the next to close in Australia, including electricity demand, changes in the NEM generation mix, abatement costs, Government policy and access to reliable fuel supplies. The question of which power station should close next cannot yet be answered given uncertainties around these issues.</p>
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