

Senate Finance and Public Administration Legislation Committee
Additional Estimates Hearing – February 2010
ANSWER TO QUESTION ON NOTICE

Topic: Closure of Power Stations

Question reference number: CC28

Type of Question: Written

Date set by the committee for the return of answer: 26 March 2010

Number of Pages: 1

Question: (Senator Birmingham)

- a) Is it possible that the proposed CPRS could force the early closure of power stations such as Hazelwood and Yallourn?
- b) If so, what job losses are anticipated?
- c) What does the Government's modelling show about possible closures?
- d) What does the Government's modelling or advice indicate about possible blackouts?

Answer:

The Government has sought the advice of Australia's three major energy market regulatory agencies on the impact of the scheme on energy security.

These agencies advised the Government that risks to energy security had been significantly mitigated by the scheme's design, including the ESAS.

Modelling for the CPRS White Paper suggested that relatively few generators exit the market in their entirety, although some do reduce their overall generation volume.

In April, the Government announced it will not introduce the CPRS until after the end of the current commitment period of the Kyoto Protocol and only when there is greater clarity on the actions of other major economies including the US, China and India.

This means the Government will not move to legislate the CPRS before the end of 2012.