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# Coal and nuclear just hot air, the immediate answer is gas



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G-BIZ**

**P**eople are looking for a cleaner energy source, one they can believe in, and enough to keep the lights on and power electric cars and desalination plants by 2050, when Australia's population will be 35 million.

Everybody knows clean coal will not cut it, and that is why the only person willing to spend real money on it is the federal Energy Minister, Martin Ferguson.

Massive renewable energy is the plain solution to climate change, but it is still beyond reach. So many sensible people, about half the population, according to a Nielsen poll this week, reach for nuclear.

It is just not necessary. At the risk of stating the obvious, gas is the key to making the essential, rapid transition to a completely renewable energy supply. With reserves offshore in Western Australia, South Australia and Victoria, and coal seam gas in Queensland, Australia has gas in abundance.

The Premier of Western Australia, Colin Barnett, made a similar point in a recent interview, noting the most frequent comment he got from the big oil companies developing the state's gas fields, was, "Why are our natural gas resources so undeveloped?"

"Even now, on proven reserves, there is 100 years of gas," Barnett said. "You've really got to think, why doesn't Australia do more with its natural gas?" He decried the "incredibly convoluted" debate we are having about an emissions trading scheme.

"I agree an ETS is part of the solution, but surely it is more logical to take direct measures to reduce greenhouse emissions. The simplest direct measure Australia can take is to use natural gas in power generation.

"Australia on the east coast has got coal," Barnett said. "It's a powerful industry, a powerful lobby, it's a major part of the economy. I recognise that. But we, in a greater long-term

global energy sense, are being naive as a country – and probably seen as being naive. We've got this massive resource that everyone wants and we are not thinking strategically."

That's putting it mildly. Many would go further. Our first challenge is to build no more coal-fired power stations, whether touted as "carbon capture and storage-ready", or not. Like the phrase clean coal, "CCS-ready" is industry doublespeak. CCS is 20 years away at commercial scale, even proponents admit. It is nothing like ready.

Western Australia at least has avoided this path. On Thursday the state's energy retailer Synergy, after tendering for 638 megawatts of generation capacity from 2011, rejected proposals to build new coal-fired power stations including listed the Aviva Corporation's Coolimba coal-fired plant with CCS at Eneabba, between Perth and Geraldton, and Griffin Energy's Bluewaters projects at Collie.

State-owned Verve Energy, which is building two high-efficiency 100MW gas turbines at its Kwinana power station, won the tender instead. Synergy said it was considering wind farm proposals to meet the state's 20 per cent renewable energy target. It has signed agreements with geothermal and wave developers including Carnegie Wave Energy, which will build its first commercial 5MW wave power station at Garden Island, south of Fremantle.

But new coal-fired power stations are still proposed elsewhere. The Queensland Government has backed the Wandoan Power Project to build a new, 400MW integrated gasification combined cycle coal-fired power station, which it is hoped will capture and store 90 per cent of its CO<sub>2</sub> emissions – somewhere, at some stage. Wandoan is one of the projects likely to receive funding under the Federal Government's \$2.4 billion CCS Flagships program, and if it goes ahead construction will be completed in 2015-16.

More substantially the NSW Government, as part of its electricity privatisation, plans two



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major new baseload power stations to be built at Mount Piper near Lithgow and Bayswater near Muswellbrook. It's still not decided whether these new stations, each of about 2000MW capacity, will be fuelled by gas or coal – if the later, again, supposedly “CCS-ready”.

The Business Spectator blogger Keith Orchison called this the largest electricity generation development in the state for almost 20 years and, quoting an unnamed industry source, observed drily a decision to build a new coal-fired power station in NSW would be a “a dog fight with a large audience”.

Let us pray for sanity and assume these new stations are built with gas turbines, following the pattern of recent years in which ever-larger projects have been commissioned, such as Origin Energy's 630MW gas-fired power station at Queensland's Darling Downs or its 1100MW power plant at Mortlake, south-western Victoria.

The second challenge is to retire the worst polluting coal-fired power stations, principally the old brown-coal fired power stations in Latrobe Valley, Victoria, such as Hazelwood and Yallourn. In an outrageous request on the public purse, the owners of these power stations, including the foreign giants International Power and China Light and Power, want a “bail-out”. They argue that if they get an additional \$6.5 billion or so of taxpayers' money, on top of the \$3.5 billion in free permits they are getting under the proposed emissions trading scheme, they may reinvest some of it in new gas turbines. They should get short shrift; better off build-

ing the new plant ourselves and floating it, just like the new broadband network. But given our debased emissions trading negotiations, they will probably get everything they want and repatriate the money quick smart.

There is no doubting the benefits of a switch to gas, as part of a transition to renewables. Mark Wakeham of Environment Victoria says converting Hazelwood to gas could be done in two years and would reduce plant emissions by 75 per cent, from 17 million tonnes to just 4 million tonnes of CO<sub>2</sub> a year, and greatly reducing water use.

It would cut Victoria's emissions by more than 10 per cent in one fell swoop. The problem is, converting to gas-fired power stations in the Latrobe Valley will employ fewer people because there will be no need to mine brown coal. Hence the State Government's urgent need to pretend something better can be done with the stuff. Turn it to fertiliser? Dry it out and ship it to India? Never mind the environment, hard heads doubt these proposals can ever stack up commercially.

A latent concern is that gas piped from the Gippsland Basin would not suffice to run the state's economy.

As a caller from the valley told Jon Faine, the ABC radio host in Melbourne, this week: “From what I understand, that is quite a limited supply of gas compared to coal and we would extinguish that valuable resource very quickly if it was used for power generation.” The gas lobby has a job ahead of it.

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‘We've got this massive resource and we are not thinking strategically.’

**Colin Barnett. WA Premier**



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Power group ... Victorian Premier John Brumby, second right, with Energy Minister Peter Batchelor, second left, and Origin Energy executives at the sod turning ceremony for Mortlake power station