

KURRI KURRI GAS PLANT SUBMISSION Pru Wawn

I am a retired secondary school teacher exceedingly alarmed at this government's determination to invest OUR money into new fossil fuel projects when we are facing a climate catastrophe. I am activated by the thousands of students I taught over 38 years in public schools, who also watch in despair at your actions. They are so desperate to protect their future from this massive intergenerational theft, never seen before on such a scale, that a group of 8 students brought a class action against Minister Sussan Ley in September 2020, asking the court to recognise the Minister has a duty to protect young people from foreseeable future climate change harms. In a landmark ruling on 27 May 2021, [Justice Mordecai Bromberg found](#) the minister had a duty of care to not act in a way that would cause future harm to younger people. <https://www.theguardian.com/environment/2021/mar/02/a-duty-of-care-australian-teenagers-take-their-climate-crisis-plea-to-court>
When does your duty of care commence?

A \$600 million subsidy for a gas plant in Kurri Kurri makes no commercial sense for the taxpayer, but there are plenty of windfalls for Liberal Party donors. <https://www.crikey.com.au/2021/05/19/kurri-kurri-conflicts-why-exactly-has-600m-been-announced-for-this-hunter-gas-plant/> It's hard not to be cynical but isn't this yet another corrupt gift to a generous Liberal donor Jeff McCloy? The secretary of the Dept of ISER, David Fredericks, when asked said he was unaware and it was "a matter for Snowy Hydro".

Furthermore 25 scientists have publicly objected to Alan Finkel's claim that gas would play a critical role for many decades - including Prof Will Steffen, professors John Church, Lesley Hughes, Terry Hughes, Ove Hoegh-Guldberg, Mark Howden and Matthew England. And they'll provide evidence.

Snowy Hydro presents no information to back its claim that this gas power station is necessary or that it's the cheapest way to meet requirements.

Significantly Kerry Schott, chair of the government's Energy Security Board said that the case for a gas plant in the Hunter Valley "doesn't stack up" commercially, given there is an abundance of cheaper and cleaner alternatives flooding the market. She said that gas is "expensive power", and all energy experts agree that peaking gas makes little commercial sense given the alternatives in the market. Especially battery storage which would operate and deliver services all year round rather than just a few days. While not all of these options will be fully in place by the time Liddell closes in April 2023, the proposed gas plant won't be either. <https://www.theguardian.com/australia-news/2021/may/04/energy-australia-confirms-new-gas-plant-in-illawarra-after-morrison-government-threatened-to-intervene>

The Australian Energy Market Operator (AEMO)'s 2020 report found that there was no need to replace the closing Liddell coal plant in 2023 because the gap to ensure grid reliability **was only 154MW**, and that was already covered by other commitments. https://aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/nem_esoo/2020/2020-electricity-statement-of-opportunities.pdf

The government's taskforce advising about the impact of the Liddell closure backed this up by listing a range of committed and probable projects that it found would be "more than sufficient". They recommended a national strategy including energy efficiency and demand side management. <https://www.energy.gov.au/government-priorities/energy-markets/liddell-taskforce>

AEMO estimate that while between 6 and 19GW of new dispatchable power would be needed over the next 20 years under an optimal future grid. This is a far more worthy investment for our money - a grid that runs nearly entirely on solar and wind as coal is pushed off the field. It could come from a range of sources including batteries, pumped hydro and demand management.

AEMO said new gas was an option but it was likely to be more expensive than other options.

<https://www.theguardian.com/australia-news/2020/jul/30/gas-prices-will-need-to-stay-low-to-compete-with-alternatives-on-renewable-grid-operator-says>

Gas fired power is considered only viable if gas is cheaper than \$6/GJ but new/upgrades to the grid are needed for Vic/NSW, NSW/SA, Snowy Hydro/NSW REZ, Tas/Vic.

<https://aemo.com.au/en/energy-systems/major-publications/integrated-system-plan-isp/2020-integrated-system-plan-isp>

The short-term economic viability of the Kurri Kurri plant relies on gas prices remaining below \$6/GJ (currently ~\$4/GJ but recently \$12/GJ). The international gas market is in crisis, and Australia is dangerously exposed to job losses and power price volatility.

<https://www.climatecouncil.org.au/resources/passing-gas-renewables-are-future/>

AEMO estimated that any capacity shortfall can be filled by “the NSW Government’s commitment to provide capital projects funding to 170 MW of dispatchable capacity under its Emerging Energy Program”. <https://energy.nsw.gov.au/renewables/clean-energy-initiatives/emerging-energy-program>.

The Kurri Kurri project is clearly a waste of public money when already grants have been awarded to five Capital Projects with a combined capacity of 220MW and nine investigative projects with the potential to deliver 2,700MW under the Pre-Investment Studies stream.

<https://energy.nsw.gov.au/renewables/clean-energy-initiatives/emerging-energy-program>

The Clean Energy Council have developed their own roadmap to a renewables future which aligns with AEMO’s roadmap – expected to improve investor confidence while no effective govt policy exists – or an international carbon price yet. <https://www.cleanenergycouncil.org.au/advocacy-initiatives/energy-transformation/the-distributed-energy-resources-revolution>

Beyond Zero Emissions say the AEMO Integrated System Plan is consistent with their modelling and will create 200,000 jobs over 5 years. https://bze.org.au/media_release/fast-tracking-isp-could-create-200000-jobs/

The NSW Minister for Energy and Environment Matt Kean has acted on the AEMO Integrated System Plan by accelerating grid infrastructure improvements and establishing 2 Renewable Energy Zones.

<https://reneweconomy.com.au/nsw-to-fast-track-network-approvals-for-first-renewable-energy-zone-53918/>

The Australian Institute’s Richie Merzian claims there is no basis for the arbitrary 1000MW target – only 215MW is needed and publicly announced private projects would provide 4 times that requirement. “The proposed Kurri Kurri gas power station is a waste of public money that will push up electricity prices and emissions, especially since the proposed project will initially run on diesel fuel”

Really it's an appalling business case if Snowy Hydro needs the entire \$600m capital cost covered by taxpayers rather than investors. <https://reneweconomy.com.au/taylor-commits-600m-to-kurri-kurri-gas-in-fossil-fuel-spending-spree/>

Currently there isn't even a pipeline to run the plant on gas – and there's a legal case against the pipeline being considered, as it wasn't assessed concurrently with the controversial Narrabri Gas Project. This appears to have been a very deceptive manoeuvre, strategically to limit the already massive number of opponents against the project. <https://www.echo.net.au/2020/12/legal-obstacle-to-narrabri-gas-project/>

NSW's gas power stations were rarely called into action during 2020. They had a capacity factor of just 1.6% – because gas power stations are struggling to compete with far cheaper energy sources like batteries. <https://assets.cleanenergycouncil.org.au/documents/resources/reports/battery-storage-the-new-clean-peaker.pdf>

Snowy Hydro already owns a large gas power station in NSW: the Colongra gas power station on the Central Coast which is used less just 0.6% of the time <https://twitter.com/simonahac/status/1307843315920826370> This makes them inefficient and expensive – prone to failure when are called on to power up at peak times.

In February 2017, Snowy Hydro's existing Colongra gas power station failed to start due to low gas pressure in its supply lines, forcing AEMO to protect the grid by ordering the Tomago Aluminium Smelter to curtail demand. <https://www.afr.com/politics/gas-and-coal-failures-were-behind-nsws-power-scare-aemo-20170222-guiesi> This calls into question the claim that gas power stations can always act as a reliable backup.

The ridiculously high cost of gas has been driving up electricity prices. There is much resentment from consumers who are aware that the very same gas cartel that kept prices high, decimating our manufacturing industry competition and fleecing domestic consumers, now has it's hand out for public funds.

Plummeting prices of solar, wind and batteries, combined with [Snowy Hydro 2.0 coming online in 2025](#), mean that a combination of renewables, storage and transmission will be cheaper than gas can ever be.

In addition, rewarding consumers for [reducing their demand at peak times](#) is a way of putting money back in the pockets of voters, and is cheaper than any combination of new capacity. <https://www.canberratimes.com.au/story/7258110/a-new-600m-gas-fired-power-plant-smells-like-a-byelection/>

AEMO certainly don't foresee an increased role for gas on a pathway to a lower cost electricity grid. <https://reneweconomy.com.au/aemo-says-batteries-will-be-cheaper-and-cleaner-than-new-gas-plants-65524/>

Prof Ross Garnaut has slammed the federal government's \$600 million backing of a new gas-fired plant as a "waste of money" and likened it to the exercise of burying money and asking the

unemployed to dig it up as a way of keeping them productive.

<https://www.smh.com.au/politics/federal/we-re-burying-banknotes-ross-garnaut-rubbishes-government-s-600m-gas-plant-20210525-p57usa.html>

Tony Wood from the Grattan Institute said that while gas is needed to back up wind and solar, a new gas facility in NSW won't be needed to shore up energy supplies. "It's not necessary for reliability, it's not necessary for prices, and it's not necessary to bring down emissions"

<https://www.abc.net.au/news/2021-05-18/federal-government-commits-600m-for-kurri-kurri-gas-plant/100147956>

<https://www.smh.com.au/politics/federal/kurri-kurri-decision-an-extraordinary-intervention-in-market-20210519-p57tcr.html>

Analyst Bruce Robertson from the Institute for Energy Economics and Financial Analysis said there's no justification to use public funds to build the Kurri Kurri plant. "This is just gold plating of the energy system, which will lead to lower private sector investment in cheaper renewable energy and higher electricity bills for consumers. We don't need over investment in expensive gas power generation." He noted the IEA report clearly signalled the end of gas and other fossil fuels. "And yet, in Australia, we have a government who is hell bent on subsidising a gas industry that is headed for rapid decline by 2030." <https://reneweconomy.com.au/taylor-commits-600m-to-kurri-kurri-gas-in-fossil-fuel-spending-spree/>

Energy companies are also concerned. By directly interfering in the electricity market the federal government will further discourage the private investment needed to deliver the huge amount of dispatchable generation needed over the years ahead. Most technical and economic experts agree that setting a carbon price would be a cheaper and more effective way to guide private investment and set us on the right trajectory of emissions reduction. <https://www.theguardian.com/australia-news/2019/aug/29/energy-companies-frustrated-at-slow-progress-on-taxpayer-underwriting-deals>

This is an appalling waste of public money for trivial numbers of short term sustainable jobs when compared to those that would be generated long-term with the same investment in renewables.

According to the EIS, the project is only expected to generate 250 short-term jobs in construction and 10 long-term jobs for a \$600m public investment on a plant that runs for 2% of the time producing expensive electricity. <https://www.theguardian.com/australia-news/2020/jun/07/renewable-energy-stimulus-three-times-as-many-australia-jobs-fossil-fuels-coronavirus-economic-recovery>

Investment of \$600m anywhere else in the electricity supply chain would provide over 1000 jobs (1.7jobs per \$m invested) but invested in renewables would provide nearly 3,000 jobs (4.8jobs per \$m invested).

A far more valuable investment of taxpayer's money would be to build a publicly owned national grid to connect all the renewable energy zones around the country. This really would stimulate investment and Australia could become a clean energy exporting superpower. The technology exists, it's all do-able. What is lacking is the political vision - except for the Greens, who have a costed plan. Holding us back from our clean energy future is a corrupt political system of mates, empowered by a fossil fuelled government. Evidently, I strongly oppose this project.

