

RESTART OF SWANBANK E POWER STATION REASSURES ENERGY USERS

The announcement to restart the Swanbank E gas fired power station in Queensland has been welcomed by the Energy Users Association of Australia (EUAA). In supporting the initiative, EUAA CEO Andrew Richards said "restarting Swanbank E gas fired power station will provide reassurance to large energy users at a time when energy security and pricing volatility is creating significant risk to business."

The Stanwell power station was put into cold storage some time ago so the announcement to restart the power station is a welcomed step that will create stability in the market during the once in a lifetime transition to greater renewable energy generation and put downward pressure on prices at a time of reduced supply.

"The EUAA welcomes this pragmatic decision made by the Queensland government that demonstrates an understanding of the challenges faced by energy users," said Mr Richards.

Over the past few years energy users have been warning of impending gas shortages and reporting huge energy price rises as they have sought to secure new energy contracts.

At the same time, the National Energy Market (NEM) is undergoing significant transition as coal fired power stations begin to exit making way for lower emission energy sources.

The transition in the NEM is creating a raft of new pressures on a system not originally designed for this type of generation and a headache for users who are bearing the brunt of impacts that include increased volatility in prices and less security of supply.

"We are in an unprecedented period of change as we move to reduce emissions from the energy market and increase decentralised generation. The release of the Finkel review this Friday will hopefully create opportunities for all governments to work together to ensure that we build an energy market for the future that works for all energy market participants and in the best interests of users in line with the National Electricity Objective and the National Gas Objective," added Mr Richards.

Members of the EUAA represent a broad range of businesses that produce essential goods and services, that include food, packaging and raw materials that are used by the Australian community every day. Their combined energy bills equate to many billions of dollars.

Price rises across this group have ramifications across the Australian community and could put pressure on business to reduce manufacturing and jobs or increase the prices of their end products.

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