



A cleaner future for power stations

Julia Gillard and Labor
Let's move Australia forward



A CLEANER FUTURE FOR POWER STATIONS

The Gillard Labor Government will introduce tough new emissions standards for all new coal-fired power stations.

All new coal-fired stations will be required to meet best practice emissions standards, and be Carbon Capture and Storage-ready (CCS-ready).

Federal Labor is committed to ensuring that future energy generation in Australia is cleaner and greener and that we don't build generation capacity which is not consistent with the low pollution economy of the future.

At present, 77 per cent of Australia's electricity supply is generated by black and brown coal-fired power stations.

A Gillard Labor Government will also place additional obligations on existing coal-fired power stations to find opportunities to reduce their emissions by expanding the Energy Efficiency Opportunities program, and publishing facility-level data supplied by power stations under the National Greenhouse and Energy Reporting program.

Why we are doing this – the evidence

The introduction of the proposed new standards will deliver a strong signal to investors to factor future carbon constraints into their decision making. The standards will encourage investment in low emissions electricity infrastructure and support green jobs and continued economic growth. This will help move our energy sector towards cleaner forms of generation, such as best practice coal technology, gas and renewable, which will be cheaper in the long run under a carbon price.

The proposed new standards will help to resolve the uncertainty that has been deterring investment in generating capacity. A recent survey by the Electricity Supply Association of Australia found that the anticipated capital expenditure on electricity generation plant over the next five years fell from \$18 billion in 2009 to \$8 billion in 2010. A statement issued by the Climate Institute and its climate partners, including major banks and energy companies, estimated that the regulatory uncertainty would cost the economy and consumers around \$2 billion each year.

Best practice emission standards for new coal-fired power stations

Federal Labor will require all new coal-fired generators to meet an emissions standard set with reference to the best practice coal-fired electricity generation technology.

The standard for best practice will be determined by the Gillard Labor Government in consultation with stakeholders.

Our starting point will be below the level at which assistance was proposed by Federal Labor under the Carbon Pollution Reduction Scheme (CPRS).

Under the CPRS, Federal Labor proposed to provide transitional assistance to generators that are producing above 0.86 tons of CO₂ per megawatt hour of electricity.

This recognises the need to change the emissions profile of the power industry.

Carbon Capture and Storage-ready (CCS-ready) standards

The Gillard Labor Government will require that new coal-fired generators are built to be CCS-ready.

Approval will only be granted to new coal-fired generators which are capable of retrofitting CCS technologies. Proponents must adequately ensure that CCS is taken into consideration when designing and building future power plants, including planning for sufficient land, pipelines for removal of CO₂, suitable storage sites and connectivity of the generator to CCS technologies.

In addition, the Gillard Labor Government will require the owners of new coal-fired generators to agree to retrofit CCS technologies within an appropriate time after they become commercially available.

The standard for CCS-ready, tailored for Australian conditions, will be determined by the Government in consultation with stakeholders. The new standard will take into account existing draft standards as a starting point.

How will the consultations on these standards be conducted?

A re-elected Gillard Labor Government will establish an interdepartmental Task Group to develop the new standards for consideration by Government. The Task Group will consult with energy market institutions, State and Territory Governments, industry and environmental stakeholders.

The consultation process will focus on finalising the standards for commencement in 2011.

The National CCS Council (formerly the National Low Emissions Coal Council) will play a key role in assisting with the work on the CCS-ready standard.

An important part of the consultation process will be identifying transitional arrangements to ensure security of energy supply.

What do the new standards mean for the existing pipeline of projects?

The new requirements will not impact upon existing plants. Planned investments which already have environmental approvals, and are determined by the energy market institutions as being sufficiently advanced in their regulatory approvals at the commencement of these standards, will also be exempt from them.

Federal Labor is aware that some State and Territory environmental and planning authorities are already placing CCS-ready and other greenhouse gas abatement conditions on new facilities. The new standards will ensure a nationally consistent approach.

Reducing pollution from existing power stations

The Gillard Labor Government will also encourage existing power stations to do more to reduce their pollution.

For the first time, we will place additional obligations on all existing coal-fired power stations to find opportunities to reduce their emissions, through an extension of the Energy Efficiency Opportunities (EEO) program.

Existing coal-fired power stations will undertake regular assessments of their potential to save energy.

And we will require generators to report publicly on the outcomes of these assessments and their annual emissions and electricity production.

This means that the community will be able to see the energy efficiency opportunities that have been identified, and those that have been or are to be implemented, by companies operating electricity generation facilities.

Publication of NGERS data

The Gillard Labor Government will also publish annual facility-level greenhouse gas emissions and electricity production data, supplied under the National Greenhouse and Energy Reporting (NGER) Act.

Under the NGER Act, all electricity generation facilities with emissions over 25 kT or energy production over 100 terajoules (TJ) per year must currently report data. Under this proposal, this facility-level emissions and electricity production data would be published.

Publicly available emission and energy production data at facility-level will better inform markets and the community about the performance of electricity generators as Australia moves to a low carbon economy.

THE COALITION'S RECORD

Tony Abbott broke the bipartisan consensus for action on climate change the night he became Liberal Party Leader, and reneged on the Liberal Party's deal to support emissions trading.

- ✘ **Instead Tony Abbott is advocating a 'direct action' policy, under which emissions will actually increase.** Estimates from the Department of Climate Change show that under Mr Abbott's policy, emissions would increase by 13 per cent from 2000 levels.
- ✘ **Renewable energy went backwards under the former Coalition Government.** They let renewable energy drop backwards from 10.5 per cent of our national electricity supply in 1997 to only 9.5 per cent a decade later.
- ✘ **Under the former Coalition Government Australia was part of the problem on climate change, not part of the solution.**
- ✘ **If elected Prime Minister, Mr Abbott has already made clear that he would cut funding for renewable energy.**
The Coalition has promised to cut hundreds of millions of dollars of climate change funding. This includes funding for renewable energy and energy efficiency.

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