

Power station debate largely misinformed

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Geoff Gallop

Much of the current debate over the State's next power station is based on a misconception, Fuel and Energy Minister Geoff Gallop said today.

"It is not a question of deciding in favour of coal or gas for evermore but which fuel is right at this time to keep the system in balance," Dr Gallop said.

"SECWA has moved away from the time when it was almost entirely reliant on coal and imported oil for power generation.

"Today SECWA has achieved its objective of a power generation system shared between natural gas and coal.

"This has been made possible by the discovery of the huge natural gas fields off the North West coast and has led to much greater competition in fuel sources," Dr Gallop said.

"Not only do we now have vigorous competition between coal and natural gas, we also have strong competition between individual coal and gas producers.

"This diversity of fuel sources and competition between suppliers will help the Government achieve its objective of a cut of at least 25 per cent in electricity tariffs in real terms by the turn of the century," Dr Gallop said.

"The preference for coal for new base load capacity, brings long-term advantages and has been accompanied by beneficial changes in the coal industry, which are already being reflected in tariffs."

Dr Gallop said few people realised that since the completion of Stage D of the coal-fired Muja power station in 1985, all the new generating capacity added to the SECWA system had been gas-fired.

"This includes the new gas turbine power station at Pinjar - north of Perth - where a further 110MW unit, currently being installed, will bring total capacity to 470MW.

"Another 110MW of gas turbine generation has also been added at Mungarra, near Geraldton.

"At the same time, Kwinana Power Station has been fully equipped to use natural gas, giving a further 880MW, and smaller gas turbines at Geraldton and Kwinana provide another 40MW.

"Currently, out of SECWA's total generating capacity of some 2600MW, nearly 1400MW - or more than 50 per cent - is equipped for gas-firing.

"In addition, there are the privately owned gas-fired power stations supplying the Pilbara (225MW), and Alcoa has some 200MW of gas-fired generating capacity integrated with its alumina plants."

Dr Gallop said the State's vast reserves of natural gas offered enormous potential to attract new job-creating industries to Western Australia.

"As the Premier made plain with the Pipeline Authority initiative in the 'WA Advantage' statement, the aim is to stimulate industrial development through lower energy costs.

"The State Government is also keen for gas producers to seek fresh markets for natural gas, developing new industries that will utilise natural gas as a feedstock, rather than simply concentrating their efforts on the electricity generation system or SECWA's

existing gas customers."