

TREASURER TOM KOUTSANTONIS

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Study into new interconnector

The 2016-17 State Budget includes \$500,000 towards a feasibility study to explore options for greater energy interconnection with the Eastern states.

The study will look at how greater interconnection can ensure South Australia obtains more baseload power when required, and export more renewable energy to other markets.

The study will be conducted by ElectraNet over the next 12 months, at a total cost of more than \$1 million.

Last month, Premier Jay Weatherill wrote to the Prime Minister Malcolm Turnbull and Labor Leader Bill Shorten, seeking an immediate and unqualified commitment to greater electricity interconnection to allow for much greater, two-way trade of electricity between South Australia and the eastern states.

Background

South Australia is a world leader in renewable energy, with around 41 per cent of energy coming from renewables.

Pre-feasibility work also undertaken by ElectraNet shows the potential for a new interconnector to be economically feasible.

Any further interconnection with the Eastern states would be in addition to the current upgrade of the Heywood interconnector between South Australia and Victoria, due to be completed in August 2016.

Experts suggest that once the market adjusts to the changing energy mix and battery storage technology advances South Australia will be ahead of the game and see downward pressure on energy prices.

The REN21 global status report showed that more than twice as much was spent on renewables (\$130 billion) than on gas and coal power in 2015, with a six per cent increase in jobs in the sector compared to an 18 per cent contraction in the oil industry.

The State Government has also backed the Federal Labor Party's call for an Electricity Modernisation Review to investigate new national policy settings for the creation of a 21st Century National Energy Market.

Quotes attributable to Premier Jay Weatherill

We need a true national energy market that supports renewable energy and doesn't punish it.

All Australian consumers would benefit from greater interconnection because it would create more competition between wholesale suppliers.

Renewable energy is providing the high tech jobs of the future, and is helping South Australia transition to a low carbon economy.

South Australia is blessed with both wind and sun and perfectly positioned to lead the way in the rapidly growing renewables industry.

We have seen evidence of this with multiple companies seeking to pursue a large-scale solar thermal project in Port Augusta.

It's important that as a nation we create an energy network that allows greater access for consumers to South Australia's renewable energy endowment.

Quotes attributable to Energy Minister Tom Koutsantonis

Since our electricity assets were privatised by the Liberal Party we have lost the ability to control prices.

This study will look at how we can better connect with Eastern markets to gain greater access to baseload power and find new markets for the incredibly cheap renewable energy generated in South Australia.

The renewable energy industry is experiencing huge growth and it is important that our national energy rules and regulations keeps up with advances in the sector.

Quotes attributable to ElectraNet

ElectraNet has been investigating the feasibility of a new high capacity interconnector between South Australia and the Eastern states to help with the integration of higher levels of renewable energy.

Our pre-feasibility work shows the potential for a new interconnector to be economically feasible.

ElectraNet welcomes the State Government's decision to help fund the next stage of this work – the Government's contribution will provide the necessary resources to progress a detailed feasibility study as a high priority.

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2016-17 STATE BUDGET

The study will consider a range of interconnector options and include broad consultation and reporting on outcomes, with electricity consumers and industry stakeholders.

Stronger interconnection of South Australia to the Eastern States will improve wholesale market competition and power system security for South Australia, as well as providing renewable energy for Australia.

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