



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO. 5

BUDGET ESTIMATES 2009-2010

QUESTIONS ON NOTICE

General Purpose Standing Committee No. 5

Energy

Friday 18 September 2009

Answers to be lodged by: Wednesday 14 October 2009

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Hearing date	Portfolio	Answer to be lodged by
17 September 2009	Primary Industries, Mineral Resources	13 October 2009 [21 days]
17 September 2009	Commerce	13 October 2009 [21 days]
17 September 2009	Climate Change and the Environment	13 October 2009 [21 days]
18 September 2009	Energy	14 October 2009 [21 days]
18 September 2009	State Development	14 October 2009 [21 days]
18 September 2009	Water, Regional Development	14 October 2009 [21 days]
18 September 2009	Housing, Western Sydney	14 October 2009 [21 days]

Questions relating to the portfolio of Energy

18 September 2009, 9.15 am – 11.30 am

Questions from Dr Kaye

1. What is the total value of green power electricity generated by the micro hydro at the base of Jindabyne Dam since it was commissioned in January 2006?
2. What was the write down value of Mowamba Aqueduct and weir at the time of the proposed sale of Snowy Hydro? What was the valuation in Australian dollars of the fixed assets of Mowamba weir and Mowamba Aqueduct?
3. What is the net gain or loss in terms of electricity generation of water from Jindabyne dam ie. how much electricity is required to pump a gigalitre of water out of the dam and how much electricity is generated when a gigalitre of water is released to the west?
4. What would be the dollar value to Snowy Hydro Ltd in terms of return from electricity generation of the 56 gigalitres remaining in the Mowamba Borrowings Account?
5. Will the new nationally uniform MRET override the current ban in NSW on burning native forest wood to generate electricity?
6. How much does Energy Australia spend each year in pruning trees to avoid power lines?

Questions from Mr Gay

7. Minister are you aware that the Australian Bureau of Agricultural and Resource Economics (ABARE) states that in 2011 the average dairy farm will be paying an extra \$600 or 6.9 percent a year for electricity when the permit price is capped at \$10 a tonne. But in 2015 when the carbon permit price could be around \$28 a tonne, ABARE estimates the cost of electricity for a dairy farm will rise by 24 percent or around \$2200 a year?
 - a. What kind of ramifications does this Federal Labor legislation have for our already struggling dairy farmers and agriculture in NSW?
 - b. Minister what assurances can you give to NSW dairy farmers that you will protect them from such huge price rises?
8. Minister are you aware of the Bush Fire Royal Commission in Victoria?
 - a. Minister has your department been following the Victorian Royal Commission into the Black Saturday fires?
 - b. Do you have any reports at this stage on what effects it'll have for our network?
 - c. Minister given we are just about to enter into bush fire season, what lessons are there for NSW?
 - d. Has the department reported to you on whether there will be cost ramifications?
9. Minister what does the Government's Business Plan indicate the extra added value will be by linking the Cobbora EL to a joint venture with the generators thus giving buyers a vertically integrated power company?

10. Minister what is the current status of ERM Power's development application for the proposed gas fired power station in near Wellington?
11. Minister are you aware of concerns expressed to us from small business owners in the Narrandera region that because of your Government's implementation of the new smart metering system they are facing a more than 53% increase in their electricity costs, including the 20% IPART price rise?
 - a. Minister can you understand their serious concerns about these new pricier metering systems on top of IPART's already hefty cost increase?
 - b. Many of these small businesses are struggling to stay afloat and could go under if they have to foot such huge electricity costs. NSW energy users are likely to see more cost increases in the near future.
 - i. What is the Government doing to protect the competitiveness of NSW small businesses and enterprises that rely on energy as a major output?
12. How are valuations being determined on assets that will be put into the NBN company?
 - a. How will they be put in – through lease, acquisition, payment for services?
 - b. Who will be responsible for defects etc?
 - c. Who will be on the board on behalf of the assets put in by NSW?
 - d. If the rest of the assets are being transferred what is the impact on the balance sheets of the entities involved and the States as a whole?
 - e. In light of the fact in the last budget the Government increased debt load and expects increased dividends, what impact will this possible asset transfer have to gearing the nations' ability to pay debt?
13. Minister your Government stated expectation that the development sites will deliver substantial profits. Can you explain why companies will pay large amounts of money for these sites when other sites are available for nominal amounts? For example the ex Queensland Gas Company site, vacant land near Bayswater \$ Lidell, and available sites near Newcastle switchyard?
14. Minister what advice, if any, has the Government received on the current timing of the sale?
 - a. Minister are you aware that the looming introduction of a carbon pollution cost of an unknown amount, and the potential expiry of a number of underlying fuel supply contracts in coming years – creates major uncertainty and potential cost increases?
 - b. Minister what information do you have that shows that now is a good time to sell the generator trading rights?
15. Minister consumer and business electricity prices are expected to rise in coming years due to carbon trading, fuel cost increases, network cost increases and increasing Mandatory Renewable Energy Target requirements.
 - a. Minister what plans does the NSW government have in place to protect pensioners and low-income households from these increases when the retail businesses are privately owned and out of their direct control?