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Minister for the Environment and Energy

MEDIA RELEASE

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LABOR EXPOSED ON SOUTH AUSTRALIAN BLACKOUT

Labor's strategy to blame the Australian Energy Market Operator (AEMO) for Wednesday night's blackout in South Australia has backfired.

Tonight AEMO has issued a press release explicitly rejecting Labor's claim that Pelican Point could only come online if directed by the market operator. AEMO's press release states the following:

“Based on where our investigations are at, AEMO does not accept public statements being made questioning AEMO's capability or that we didn't manage the power system in a safe, secure state. Further, AEMO does not accept the assertions that some generators that were available to enter into the market could not do so.”

This statement was on top of evidence provided in Senate hearings today in Canberra relating to the blackout on 8 February. The evidence confirmed that in relation to the events of 8 February:

1. The Federal Government had no ability to direct AEMO to bring on any generation.
2. The significant drop off in wind generation followed by a reduction in solar output preceded the load shedding event.
3. Wind capacity in South Australia is 1,576MW and that at the critical time prior to the load shedding event it was only generating 70MW to 90MW, with demand at the time being over 3,000MW.
4. The level of non-synchronous generation, such as solar and wind, in South Australia has made their electricity network more vulnerable and challenging to operate.
5. That Pelican Point did not need to be directed in order to supply households and businesses.
6. Important questions remain about why Pelican Point chose not to respond to market signals.

Today I have asked the Australian Energy Regulator (AER) to urgently investigate the actions of generation market participants in South Australia on 8 February.

The Australian Government is committed to ensuring secure and affordable energy for all Australians. It is vital that the community have confidence that the rules are being complied with.

While the Turnbull Government has been consistent throughout these events, the Labor Party has:

- (a) sought to lay the blame on the market operator;

“Yesterday’s South Australian blackout wasn’t the result of renewable energy, or a lack of thermal capacity in the state; it was the result of a calculated decision by Energy Minister Frydenberg’s own electricity regulator”.

Shadow Energy Minister Mark Butler, Media Release, 9 February

- (b) wrongly claimed that Pelican Point needed direction from AEMO in order to supply into the grid;

“No Minister, Pelican Point needed direction from your regulator to supply into the grid”.

Shadow Energy Minister Mark Butler, Media Release, 9 February

- (c) absolved the Weatherill Government of any responsibility, saying it does not have the power to direct AEMO and then admitting less than 24 hours later that this is exactly what happened during the state-wide blackout;

“...the State Government is not in a position to direct the Federal body”.

Shadow Environment Minister Tony Burke, ABC AM, 10 February

SPEERS: But who does have the power to direct the regulator?

BUTLER: Well it’s the COAG energy council ultimately...

SPEERS: It’s the South Australian Premier then Jay Weatherill isn’t it?

BUTLER: No. No, the one person who doesn’t have the power is the South Australian Government.

Shadow Energy Minister Mark Butler, Sky News, 9 February

BUTLER: ...AEMO is an independent operator, politicians don’t have responsibility or influence over these things...

KELLY: But the State Government does have the power to declare an emergency situation and direct AEMO.

BUTLER: Yes and that is what happened in the statewide blackout.

Shadow Energy Minister Mark Butler, RN Breakfast, 10 February

The instability in South Australia’s energy system is a very serious issue. When over a million people lose power and businesses lose hundreds of millions of dollars and are ground to a halt, it is not a “hiccup” as Mark Butler described it today on Radio National.

It’s now clear to all South Australians that Jay Weatherill’s “big experiment” has failed. It’s time Bill Shorten and his state Labor colleagues admit they were wrong and abandon their ideological pursuit of 50 per cent Renewable Energy Targets, which are contributing to the instability of the system, rising electricity prices and sending jobs and investment offshore.

The people of Australia expect and deserve better.

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