

Senate Standing Committee on Economics**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Budget Senate Estimates

31 May 2011

Question: **BR33**
Topic: **Wind farms**
Proof Hansard Page: **Written**

Senator Heffernan asked:

As stated by Shirley In't Veld, Managing Director of Verve Energy (WA), the impact of one Wind Farm (Collgar), due to the variable wind power entering the balanced electricity grid, is estimated to be an additional \$26-27 million per annum to their operating costs. This doesn't include the construction expenditure. This will evidently place inflationary pressure on consumer electricity prices. Ultimately it would appear the impact the introduction of variable Wind Energy has is an increase to consumer power prices without any significant emission reductions being achieved. Can you confirm the anticipated percentage increase to existing power prices resulting from the introduction of wind energy.

Answer:

We are not able to verify the figures quoted by the Western Australian electricity generator Verve Energy, however we note that under the Western Australian market design it is Verve Energy's responsibility to balance demand and supply in the market. Any percentage increase in existing power prices due to anticipated greater wind energy generation would be the outcome of market forces and commercial decisions, including retail contracts, electricity spot market outcomes and the price of Large Scale Generation Certificates.