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RENEWABLE POWER BOOST FOR KANGAROO ISLAND

Premier Mike Rann says a \$254,520 State Government grant is helping to stimulate business development and renewable energy while addressing power supply issues on Kangaroo Island.

Visiting Kangaroo Island today for a Community Cabinet meeting, Mr Rann said the grant from the state's innovative Renewable Energy Fund would assist forestry company RuralAus Investments to undertake a feasibility study into a biomass power plant.

"The Government's contribution is towards a \$374,000 study into a 10MW renewable power station on Kangaroo Island," Mr Rann said.

"The reliability and performance of the KI energy network has been challenged by high costs and limitations of supply associated with power transmission from the mainland.

"If successful, the biomass power plant will exceed the energy needs of RuralAus for its sawmill and processing facilities, feeding a significant amount of extra power into the local grid."

The Minister for Energy and Forests, Michael O'Brien, said the project was a good example of government and industry working together for community benefit.

"Kangaroo Island is currently supplied by one undersea cable, and during peak periods there can be stress on the entire KI network," the Minister said.

"The RuralAus proposition ensures their milling and processing facilities do not add additional demand or stress on the KI network by becoming self sufficient, and in the process contributing to South Australia's production and consumption of renewable energy."

Mr O'Brien said Kangaroo Island's electricity demand was forecast to reach 11MW in 2013-14.

A 10MW renewable energy power plant will take approximately 18 months to plan and construct at an estimated cost of \$30 million.

RuralAus chief executive John Ipsen said the company welcomed the State Government's support for the energy initiative.

Mr Ipsen said RuralAus owned and managed approximately 5000 hectares of timber plantation on Kangaroo Island.

He said the biomass power station would use residue from timber processing and harvesting as a fuel source.

“We have access to an excellent source of renewable energy, which can provide a clean and relatively low cost power solution,” he said.

“We expect to be able to add a consistent supply to the energy network, especially in peak periods, which will also support growth of other industries on KI, and create local employment and economic benefits.”

The company expects to complete the feasibility study in September.

The Rann Labor Government established the \$20m Renewable Energy Fund in 2009 to accelerate innovation and investment in the renewable sector.