



Monday 26<sup>th</sup> July 2010

## IPRA RESPONSE TO STATE GOVT WHITE PAPER

International Power Australia (IPRA) says it will review today's Victorian Government White Paper announcement which includes a call for formal discussions on the potential closure of a quarter of Hazelwood power station by 2014.

IPRA Group Manager, Corporate Affairs Mr Jim Kouts said this is a complex issue which will require detailed examination before any decisions can be made.

"There is certainly no agreement on the proposition presented in the Government's White Paper. However, we have held a preliminary discussion and we are prepared to continue discussions with both State and Federal governments," Mr Kouts said.

"It is important to acknowledge that IPRA has publicly supported the introduction of a well-designed carbon abatement scheme that does not damage the value of our investment in electricity generating assets in Australia.

"Over the past two years we have consistently offered to both state and federal governments an option that would deliver deep cuts in carbon emissions by the early closure of some older coal-fired generating plant. In the case of Hazelwood, this would require governments to support the phased closure of all generating units over an agreed term in return for a fixed capacity payment," Mr Kouts said.

"We support this phased closure approach as a way to provide emissions reductions in a cost effective manner, while enabling a smooth transition in terms of jobs, energy security and energy prices."

International Power Australia is part of the global International Power Plc that owns and operates a portfolio of coal and gas-fired power stations, as well as an extensive network of renewable energy plants worldwide.

The Hazelwood power station in Victoria delivers up to 25% of Victoria's energy needs and has improved its carbon intensity by 10% since 1996.

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### Further information:

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