MEDIA STATEMENT

1 September 2014

Mackay Sugar responds to RET review outcome

Mackay Sugar CEO Quinton Hildebrand acknowledges that while the Renewable Energy Target (RET) scheme review recommendations, released last Thursday (28 August), attempt to protect the existing investments made under the scheme, if implemented, the recommendations would impact Mackay Sugar's future renewable energy investment opportunities.

Mr Hildebrand confirmed Mackay Sugar's Racecourse Cogeneration Plant's current Power Purchase Agreement (PPA), in place until 2019, would not be affected if the government adopted the recommendations, and the two options provided some comfort for arrangements beyond 2019.

"Our Racecourse Cogeneration Plant currently produces enough renewable energy to meet approximately 30 per cent of Mackay's annual electricity consumption, while also providing energy to the Racecourse Mill and the adjacent Racecourse Refinery.

"We have the potential to construct additional renewable energy plants across our other sugar mills; however, the government's adoption of either of the report's recommendations would rule out these projects."

Mr Hildebrand said a positive outcome of the review is the acknowledgement that the net impact of the RET on retail electricity bills over time is relatively small.

"The RET scheme is actually increasing the supply of electricity which is putting downward pressure on electricity prices.

"Any changes to the RET scheme would need to pass through both the House of Representatives and the Senate.

"We will continue to engage in the political process to urge government to adopt a more favourable approach than the recommendations proposed in the RET review report."

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