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## **Queensland energy and emissions plans misses a trick by ignoring sugar cogeneration**

The Australian Sugar Manufacturers (ASM) have urged the Queensland Government to recognise the sugar industry's unique potential to deliver renewable, synchronous baseload electricity. By expanding its cogeneration capacity, the sector can play a key role in ensuring an affordable, reliable, and smooth energy transition for Queenslanders.

“Sugar manufacturers can provide Queenslanders with 2.6 terawatt hours of electricity per year by expanding our cogeneration capabilities,” Ash Salardini, CEO of ASM said. “That’s enough to power around 500,000 homes with reliable, affordable, renewable energy.”

The ASM notes the Queensland Government’s announcement of revising Queensland’s emissions targets and extending the life of some coal fired power plants.

“Extending the life of the Callide B Power Plant has bought Queenslanders some time but not a solution.”

Cogeneration - using sugar manufacturing byproducts to produce electricity - offers a practical solution to replace ageing coal-fired power stations across Queensland. Some coal plants are reaching the end of their operational life, regardless of emissions targets.

“Expansion can be up and running in just five years, delivering over 800MW of generation capacity, surpassing the 700MW output of Callide B Power Station,” Mr Salardini said. “This is a real, renewable alternative ready to meet Queensland’s energy needs.”

Despite the clear benefits of expanding cogeneration, ASM warns that ongoing uncertainty and sudden shifts in energy market policy have stalled investment and shaken industry confidence.

“Sugar manufacturers are unlikely to invest hundreds of millions of dollars each on an asset that has a fifty-year commercial life, when the fundamentals of the energy market change with the stroke of a pen.”

The ASM says unlocking investment in cogeneration will require either direct government grants or a contract for difference. This approach would reduce investor risk by guaranteeing a minimum electricity price, while allowing both the government and investors to share in any upside when market prices are high.



“Cogeneration expansion ensures an affordable energy transition for Queensland. It’s renewable, reliable, and already proven to keep the lights on for Queenslanders,” Mr Salardini said.

“If we can turn these investments into reality, we won’t just help solve Queensland’s energy challenge - we’ll secure the future of the sugar industry. Our industry supports over 20,000 jobs, compared to just a few hundred at a typical power station.”

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*Australian Sugar Manufacturers (ASM) is the peak industry body representing the nation’s sugar manufacturing sector, contributing \$4.4 billion annually to the Australian economy and supporting more than 20,000 jobs in regional communities. ASM works closely with its members, industry stakeholders, and government to develop and advocate for policies that enhance the sustainability, competitiveness, and long-term economic contribution of the sugar manufacturing sector. From the production of raw sugar, bio-based manufacturing and generation of renewable energy, the sugar manufacturing sector continues to support communities, create jobs, and foster a sustainable future for the industry, and the broader economy.*