



SimplyHoping

Posted by [Big Gav](#) on December 11, 2007 - 5:28am in [The Oil Drum: Australia/New Zealand](#)

Topic: [Demand/Consumption](#)

Tags: [australia](#), [gas](#) [[list all tags](#)]

This is a guest post by Kiashu.

Recently Victorians got a taste of what the future holds for us with the dangerous combination of peak fossil fuels and climate change.

My natural gas company [SimplyEnergy](#) added a "Gas Congestion Charge" of \$3.51 (a tenth of my normal bill, more or less) to my natural gas bill today. They say:

Gas usage is typically higher throughout winter due to the use of heating and hot water systems, however winter 2007 saw a combination of particularly cold days and the effects of the drought on power generation which led to extraordinary peak demand.

Ongoing drought conditions have reduced the availability of water for hydro power generation which resulted in a greater reliance on gas-fired power production. During particularly cold winter days when the demand for gas increased, the gas market was further constrained by gas-fired power generators creating periods of demand that exceeded the available supply.

When this demand occurred, [VENCorp](#) [the co-ordinating company for Victoria's electricity and natural gas supplies] arranged for additional gas to be injected into the gas pipelines at a premium in order to maintain safe gas operational pressure levels and meet Victoria's gas requirements. [...] Congestion charges were applied to pay for these unexpected injections of gas which were required at short notice from gas reserves.

[...] this instance of gas congestion was unprecedented and resulted from a combination of several contributing factors. It has never occurred in the past and we hope it will not occur again.

In other words, what we're seeing is a combination of climate change and peak fossil fuels making power and gas supply less reliable. The drought hit the hydro stations, and (what the company doesn't mention) hit the coal-fired stations, too, since they use a lot of water for their turbines. By digging into natural gas reserves they were able to make up for a lack of supply from the coal-fired and hydro stations (both more limited by water availability than natural gas stations), but of course like someone who spends more than their weekly wage by dipping into their savings, we can't do that forever. What happens if we get more years of drought while natural gas supply declines? The company doesn't consider this, at least not within the hearing of its customers. "We hope it will not occur again."

While SimplyEnergy resorts to SimplyHoping that it won't happen again, there's every reason to expect it will. Australia's experience of climate change is expected to be more droughts, and fossil fuels worldwide are going to run short in supply.

We'll get brownouts, and sputtering flames on our stovetops. It's time, I think, for us to adjust our spending to our income, rather than just spending and SimplyHoping that our income will increase, or we can dip into savings. We ought to use less fossil fuels while we still have some left to use, and covert to other sources of energy.



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