

EnergyAustralia's profits dive

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EnergyAustralia, the nation's third largest electricity company, saw its first-half earnings crash by nearly a third amid flooding at its Yallourn coal plant with market conditions to remain tough due to lower wholesale power prices and a jump in gas costs.

The power giant's operating earnings fell 30 per cent to \$HK837m (\$146m) for the six months to June 30 due to a slump in power prices, higher gas costs and a hit from its Yallourn coal plant which cut output due to flooding.

Its contribution to parent company CLP's earnings was a loss of \$31m following the \$185m settlement of litigation after the sale of Victoria's Iona gas storage plant to QIC due to capacity is-

sues and \$65m pre-tax for safeguarding Yallourn during the recent flooding event.

Overall underlying earnings fell 18 per cent to \$363m and newly appointed chief executive Mark Collette pointed to a tough second half of the financial year.

"Market conditions in the second half are anticipated to remain challenging with intense retail competition and lower realised wholesale electricity prices – coupled with higher gas costs – than in prior periods," EnergyAustralia said.

While wholesale electricity prices jumped in the second quarter of 2021, they remained depressed for much of the year.

EnergyAustralia in May approved an expansion of its existing Tallawarra gas power plant in NSW's Illawarra region with a 300MW facility with works to start later this year.