



# Newcastle Community Dialogue Group

1 July 2021 – Meeting 18

# Agenda



**1** Open and welcome, apologies, declarations, previous minutes, business arising and correspondence

**2** Newcastle Power Station Project latest news and next steps

**3** Newcastle Gas Storage Facility latest news

**4** AGL Update

**5** General business, next meeting and close



# Open and Welcome

Apologies, declarations, previous minutes, business arising and  
correspondence



# Newcastle Power Station

Latest news and next steps

# Newcastle Power Station - Update



AGL's Newcastle Power Station project is still being assessed by the federal government, following approval from the NSW Government earlier this year.

Recently, the NSW Government decided to help fund Energy Australia's gas power station proposal in the Illawarra and the federal government announced an intention to fund Snowy Hydro's gas power station project.

Last year the NSW Government announced a policy that will create a new body to invest in new projects, the Consumer Trustee.

Once the Consumer Trustee is ready to invite proposals for a future funding round, we may look to this as a mechanism to build our Newcastle Power Station. Until then, this project is on pause.



# Newcastle Gas Storage Facility

Latest news

# Newcastle Gas Storage Facility – General



- Gas send out (vaporization) to supply NSW started in June 2020
- Plant in SENDOUT mode since June 2020
- Several plant critical process safety tests, shutdown and routine inspection and maintenance activities completed during SENDOUT phase
- This includes
  - Mercury Guard Bed replacement,
  - Cold Box Integrity checks,
  - Pre-treatment Pipework Recoating
  - Regeneration Pipework repair in CO2 Removal unit
  - Control System Upgrade
- Plant is ready to re-start LIQUEFACTION. This is dependent on gas market
- PL42 and MHF annual reports submitted
- COVID-19 de-escalation plan activated. All personnel returned to site
- Visitors are still required to use temporary buildings in line with NSW government guidelines. Temperature checks still in operation
- New admin building for support staff in planning phase. DA submitted
- This will minimize the number of people in the main control building and further reduces the risk of injuries.



# Newcastle Gas Storage Facility – Environment



- FY21 Annual Air Emissions testing was undertaken on Heaters H501A, B and C in August with no exceedance reported.
- FY21 Annual Air Emissions testing for H101 Heater was completed in February 2021 with no exceedances reported.
- 6-monthly groundwater and surface water monitoring completed in March, which identified some exceedances of criteria.
- Exceedances were in relation to pH (surface water) and dissolved metals and nutrients (ground water).
- The report concluded that there is no evidence that the construction and operation of NGSF has had an impact on groundwater or surface water.
- National Pollution Inventory (NPI) and Sustainability Data are being finalised and will be submitted to all relevant stakeholders and made publicly available.
- The NSW Biodiversity Conservation Trust audited the Medowie offsets property in May. Zone 2 (old house site) requires additional tree planting to support natural regrowth.





# Newcastle Gas Storage Facility – Community



We're proud to be sponsors of the Newcastle Fringe Festival.

Our commitment to our Australian communities has been a passion for over 180 years and as owner and operator of the Newcastle Gas Storage Facility we're pleased to continue to support this new edition of the Newcastle Fringe Festival.



Progress for Life

[agl.com.au/NGSF](http://agl.com.au/NGSF)



# Newcastle Gas Storage Facility – Community



## Local Community Investment Program – Round 2 FY 21

Bikers for Kids - \$5,000

CatholicCare Social Services - \$5,000

Newcastle Toy Library – \$4,800

Tanilba Bay and District Senior Citizens and Pensioners Association – \$2,700

Tomaree Museum Association - \$5,000



Saturdays  
9:30am - 11:30am  
Inside the New Lambton Library

*New members  
welcome!*



# Tanilba Bay & District Senior Citizens & Pensioners Association Inc



AGL Update

# AGL Update



AGL Energy Limited (AGL Energy) confirmed yesterday its intention to undertake a demerger to create two leading energy businesses with separate listings on the Australian Securities Exchange.

Under the demerger proposal, AGL Energy will become Accel Energy Limited (Accel Energy, previously referred to as “PrimeCo”), an electricity generation business focused on the accelerating energy transition. Accel Energy will demerge a new entity, AGL Australia Limited (AGL Australia, previously referred to as “New AGL”), a multi-product energy-led retailing and flexible energy trading, storage and supply business. AGL Australia will retain the AGL brand.

# AGL Update



## Australia's largest electricity generator

- 33.5 TWh (FY23) electricity generation
- ~8.0 GW name-plate thermal capacity
  - ~1 GW wind farm portfolio
- 1600 MW wind development portfolio
- Over 16,000 hectares land for energy hubs



**Energy supplier**  
at scale to major electricity users:  
supplying 20% of the National Electricity Market



**Development pipeline**  
focused on energy  
low-carbon industrial hubs



**Decarbonisation targets**  
commitment to show clear progress  
on existing trajectory

## Australia's largest multi-product retailer

- 4.5m<sup>1</sup> services to customers
- 24.3 TWh<sup>2</sup> customer electricity volume
  - 140 PJ<sup>2</sup> customer gas volume
- 1.3 GW<sup>2</sup> flexible electricity generation/storage



**Strong, stable and growing**  
base connected to 30%  
of Australian households



**Leading energy trader**  
backed by portfolio of flexible  
generation and storage assets



**Carbon neutral**  
for scope 1 and 2 emissions  
with clear pathway to full carbon neutrality  
for electricity supply






# AGL Update



## We are taking near-term action to address ongoing market and operating challenges in the energy sector



We have accelerated our plans to reduce cost and release cash back to the core business

	Shaping forces	Impact and implications	Near-term actions
 Customer	<ul style="list-style-type: none"><li>• Strong uptake of multi-product offers and digital services</li><li>• Increasing demand for virtual power plant</li></ul>	<ul style="list-style-type: none"><li>• Retail business accelerating towards future state</li><li>• Carbon neutral offerings becoming more important</li></ul>	<ul style="list-style-type: none"><li>• <b>\$150m operating cost reduction</b> now being executed</li><li>• Plans for <b>\$100m in sustaining capex</b> reductions accelerated</li><li>• <b>Further asset optimisation</b> planning activated across generation fleet</li><li>• <b>\$400m of assets identified for sale</b> including Newcastle Gas Storage Facility, Silver Springs gas project – targeted for FY22 execution</li></ul>
 Community	<ul style="list-style-type: none"><li>• Accelerating desire for action on climate change</li><li>• Government policy driving retail pricing; now focussed on underwriting generation</li></ul>	<ul style="list-style-type: none"><li>• Value of retail becoming more independent of base-load generation</li><li>• Trading and portfolio management evolving</li></ul>	
 Technology	<ul style="list-style-type: none"><li>• Falling costs for renewable generation and storage</li><li>• Strong funding support for renewables and storage</li></ul>	<ul style="list-style-type: none"><li>• Coal plant remains essential to reliable supply during transition</li><li>• Risk/return expectations for new generation structurally lower</li></ul>	



General business,  
next meeting and  
close

# Contact



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Relations

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