

## Newcastle Gas Storage Facility

Community Dialogue Group Meeting 7
30 July 2018

## Agenda



Open and welcome
Previous minutes
Business arising

NGSF Environment Update

2 Local Community Investment Program

NSW Generation Plan and 250 MW Gas-Fired Power Station

Modification 3

Next meeting
Close

### Open and welcome

Previous minutes and business arising

# Local Community Investment Program

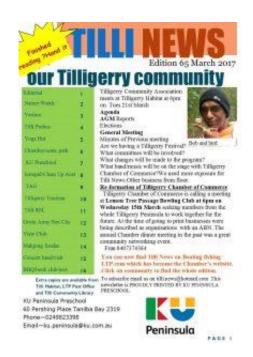
# agl

### Local Community Investment Program Round 2 - ag



#### **SeaSide Singers**



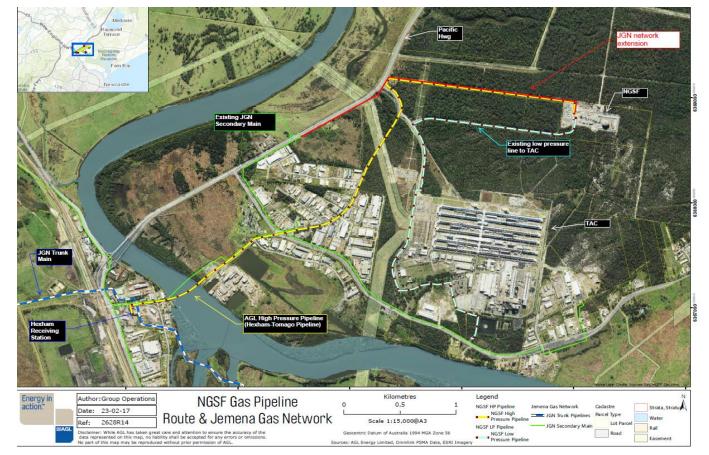


#### Modification 3

Update and next steps

### **Modification 3**





#### Modification 3



#### **AGL Pipe Easement**

- All pipe strung out and welded with about 1.34 km in ground
- HP crossing expected to start around the second week of August
- Tie in to NGSF targeted for around the second week of September
- Hydrostatic testing date to be confirmed. Water disposal after hydro test to be trucked out.
- Ongoing safety surveillances with no safety issues
- Ongoing monitoring with no environmental issues
- water samples taken at trench levels sent to Hunter Water. Hunter Water agreed with results and the proposed water management.
- Pre-pump and post pump water test carried out to confirm no contaminates added if pumping to ground. All tests have been cleared and approved.

#### Pacific Highway

- 260 metres of pipe in the ground
- case bore (under highway) to start around the second week of August on the west side of the highway.



#### **Environment related work at NGSF**



- · Annual Nest Box monitoring and reporting
- Medowie Offset Property weed management
- Annual air emissions monitoring on three boilers
- Environmental Management Plan reviewed and updated
- Preparation of Annual Returns for EPA (in progress)
- Preparation of National Pollutant Inventory Report for EPA (in progress)
- PSC Koala Surveys (scheduled 01 August 2018)
- Annual Monitoring Reports for CAs to OEH and PSC





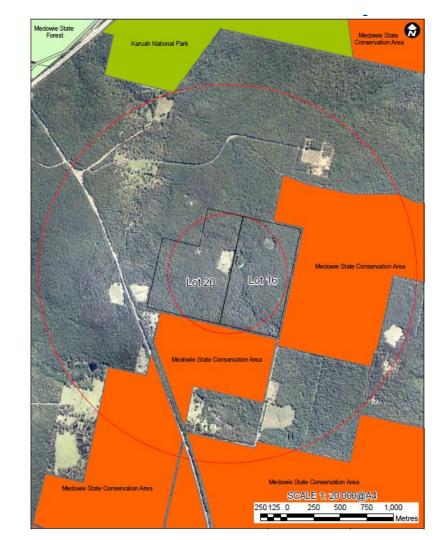


- NGSF Environmental Assessment Ecological Assessment completed in May 2011:
  - 19.3ha of vegetation to be cleared
  - Five native vegetation communities, including 0.64ha of Swamp Mahogany-Paperbark Swamp Forest (endangered)
  - Four Earps Gum (threatened species)
  - Nine threatened Fauna species recorded including Koala, Squirrel Glider, various Bats, and New Holland Mouse
- The EPBC Approval (Commonwealth) and Project Approval (State) required AGL to commit to Biodiversity Offsets to offset the impact to flora and fauna.
- Offsets Strategy developed in consultation with the Office of Environment and Heritage (State) and Department of Sustainability, Water, Environment, Population and Community (Commonwealth)



### Medowie properties

- Two adjoining lots purchased by AGL around 2012
- Off Old Swan Bay Road and Medowie Road, Medowie
- Combined offset area of approximately 113ha
- Two Exclusion areas, 2ha each
- Internal fire trails
- · Unoccupied, heavily vegetated, minimal weeds
- Adjoin other land under conservation (State Forest and State Conservation Area)
- High ecological value
  - Koala habitat
  - 11.8ha Swamp Mahogany-Paperbark Swamp Forest (endangered)
  - 17 Fauna species listed under Threatened Species Conservation Act
  - 3 Fauna species (incl New Holland Mouse) listed as Vulnerable.



### **Conservation Agreements**



- Signed by AGL and OEH in 2016
- Attached to the title of the land, no expiry date
- Residential dwelling permitted in each of the Exclusion Areas
- Restricted land use in conservation areas (e.g. no grazing, land clearing, limited vehicle use)
- Ongoing maintenance, monitoring and reporting obligations
- Works competed to date:
  - Weed control
  - Track maintenance
  - Pest management
  - · Fire management (uncontrolled)
  - · Fencing and signage
  - General rubbish removal
  - Asbestos removal
  - Annual Monitoring and Reporting for 2016-17 and 2017-18



Liddell replacement is AGL's preferred option compared to the proposal to extend the life of Liddell

#### Liddell replacement

Preferred option

Liddell Power Station closed in 2022 and repurposed with series of investments in new, low emissions generation and upgrades to existing generation

- Staged approach to bring new investment online ahead of Liddell retirement
- Each phase will track timing, deliverables and completion dates of each new investment



Newcastle gas peaker 250MW or other NSW sites



**NSW** gas peaker 500MW



**Demand response** up to 150MW

**Liddell battery** 



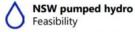
Bayswater upgrade 100MW

Renewables 1600MW

Feasibility



Liddell synchronous condenser Inertia and reactive power



Total capital investment: ~\$1,360m (of which ~\$490m in stage 1 projects)

Levelised cost of energy: \$83/MWh

Asset life: 15 to 30 years

#### Liddell extension

Work undertaken at Liddell Power Station to enable AGL to operate the station beyond 2022

- Extending Liddell's life by five years to deliver 1000MW of peak capacity at reduced availability
- Analysis has been done to examine the costs and other risks associated with extending Liddell



Total capital investment: ~\$920m

Levelised cost of energy: \$106/MWh

Asset life: five years



Stage 1 (feasibility during 2019 or earlier)

rechnology	PROJECT	Announced closu	re date for Liddell
O GAS	NSW   Flexible gas peaker 250MW	Project delivery	
UPGRADE	Bayswater   Efficiency upgrade 100 MW	Development undertaken during existing outage schedule	
	Liddell   Synchronous condenser	Ongoing generation	Delivery
DEMAND RESPONSE	Up to 20MW	Progressive trials & pilots	
RENEWABLES	Coopers Gap   453MW	Project delivery	
	Silverton   200MW	Pelivery	
	Solar offtake (NSW)  300MW	Project delivery	
	20	017 2018 2019 2020 2021 2022	2023 2024
<b>Delivery</b> Ap	proved FID (conditional <sup>1</sup> )	Offtake approved	

1. Conditional final investment decisions will be subject to planning approval, EPC contract and connection agreement.

#### Benefits to NSW and the region



- Improves security of electricity supply to NSW
- Facilitates transition from ageing coal-fired generation post the retirement of Liddell Power Station in 2022
- Proximate to high electricity demand industry in the Newcastle region



- Modernisation of NSW generation fleet will lower carbon intensity
- Fast start dispatchable generation complements intermittent renewables and peak summer demand
- Consistent with the Government's proposed National Energy Guarantee (NEG)





- Represents a substantial capital investment of up to \$400m in NSW
- An estimated 200 new jobs will be created during construction of the power station over 18 months with about half a dozen full time positions once in operation
- A long term development expanding AGL presence in the region

### Newcastle Gas Power Station Project



#### **Generation Overview**

- ~250MW new-build power station
- Reciprocating engines or gas turbines
- Fast start 'peaker' with primary role of providing firming capacity
- Dual fuel natural gas + diesel
- Gas pipeline connection & diesel storage
- Targeting construction completion in 2022



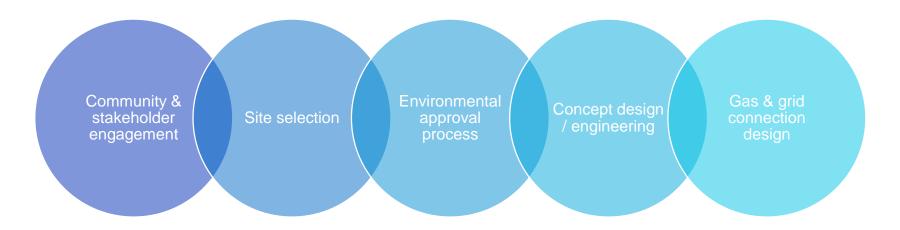


#### Location

- Northern side of the Hunter River (north channel) in the vicinity of AGL's existing LNG storage facility in Tomago
- Preferred site remains to be determined
- Key electricity tie-in point is an existing switch yard (shown above)
- Easements for gas pipelines and electricity transmission 18 will be required

### Near term activity





#### **General Business**

Next meeting and close



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