12 October, 2010

MUNMORAH POWER STATION BOOSTS BASELOAD ENERGY SECURITY

One of the oldest power stations in NSW, which is due to be decommissioned in 2014, will undergo a $500 million upgrade further securing the State’s baseload energy supplies.

Minister for Planning, Tony Kelly, said the project will improve the operating and environmental efficiency of the Munmorah Power Station near Wyong, enabling it to continue delivering jobs and investment in the region for up to 20 years.

“This opportunity is being offered to the private sector as part of the NSW Government’s energy reforms,” the Minister said.

“The funding of any future upgrading of the power station would be the responsibility of a successful bidder and this has been communicated to all participants involved in the process.

“Around 150 construction jobs will be created as a result of this approval and the facility’s ongoing operation will ensure the continued employment of the power station’s existing workforce.

“The upgrade will allow the existing power station to operate at a capacity of 700-megawatts, through the refurbishment or replacement of ageing components such as generators, boilers, condensers, heaters and fans.

“There is approval for two alternative fuel options – either coal or coal supplemented with up to 75 per cent natural gas – dependent upon the prevailing regulatory framework and meeting all required standards of environmental performance.

“As part of the assessment process, independent experts Arup Pty Ltd were engaged to review greenhouse gas and Heggies Pty Ltd for air quality and noise.

“Delta Electricity has indicated it will stop the use of trucks to transport coal to the site by upgrading the capacity of the existing coal conveyor, significantly reducing impact on local roads.”

A total of 60 conditions have been imposed including:

- Delta Electricity must continue to publically demonstrate it is investigating all possible emission reduction technologies that could be incorporated to reduce or offset greenhouse gas emissions;
- The facility must be designed to allow retrofitting of carbon capture and storage technology, should it become viable in the future. (Delta Electricity is currently working with the CSIRO on a pilot carbon capture project at Munmorah);
- Specific requirements for air quality, continuous emissions monitoring, noise minimisation, ash disposal and heritage protection; and
- Development and implementation of an ongoing program of monitoring of water discharges to Lake Budgewoi and the state of the lake’s aquatic health.

The upgrade works will be confined to the power station’s existing footprint.
The Munmorah approval follows concept plan approvals for the Bayswater B and Mount Piper power stations earlier this year and follows recommendations in the 2007 Owen Inquiry into electricity supply in NSW and the 2010 Australian Energy Market Operator Electricity Statement of Opportunities, which shows there could be a deficit in the State’s energy supplies of up to 1,335 megawatts by 2019/20 unless action is taken to develop new power sources.