



Community Reference Group

Agenda

Meeting 13

Mt Piper Power Station

Seminar Room

5pm to 7pm Wednesday 25th August 2010

1. Welcome
2. Agree Notes from previous meeting
3. Action Item Updates
 - ❖ *Operations*
 - ❖ *Rail Unloader Project*
 - ❖ *Water Management*
 - ❖ *Access to Thompsons Creek Dam*
 - ❖ *Wallerawang Biomass Trial*
 - ❖ *Mt Piper Ash Placement*
4. Presentation – NSW Government's Energy Reform Program
5. Member Feedback - Committee
6. General Business - Committee





Update - Delta Operations





Update on Operations

Mt Piper

- ❖ Unit 1 running reliably
- ❖ Unit 2 running reliably

Wallerawang

- ❖ Unit 7 operating reliably
- ❖ Unit 8 Major Outage is in progress with work being completed on:
 - ★ Cooling Tower Pack Replacement
 - ★ Economiser
 - ★ Generator
 - ★ Boiler





Update on Western Rail Coal Unloader



Western Rail Coal Unloader

- ❖ Little change since the last report.
- ❖ Approval granted in June 2009.
- ❖ Preliminary work is continuing
- ❖ The Unloader Site is unchanged and is under agistment.



Update – Water Management





Update on Water Management

Delta Allocation Depends On Dam Capacity

Oberon Dam Capacity	Allocation ML/annum	%
100%	8184	100%
60%	8184	100%
50%	6540	80%
40%	6540	70%
25%	5724	70%
20%	4908	60%
15%	3276	40%
10%	2616	32%
8%	324	4%

24.25%

As at 24/8/10



Initiatives To Reduce Oberon Dam Water Use

- ❖ Currently at a level not seen since December 2006.
- ❖ One Wallerawang unit currently out of service due to outage.
- ❖ Continue to apply Wallerawang units in consideration of Fish River water availability.
- ❖ Reverse osmosis (RO) plant at Wallerawang is currently under construction off site. Completion is due in Oct 2010.
- ❖ Use of Duckmaloi Water exclusively since May 2010.
- ❖ Delta awaits the findings of the review of the Fish River Customer Council by Dept of Water.



Update – Access to Thompsons Creek Dam



Access to Thompsons Creek Dam

- ❖ Access Agreement has been drafted and is in the final stages of negotiation.
- ❖ Next Meeting with State Fisheries is 31st August.
- ❖ Finalise Access Agreement and required signage.
- ❖ Submission to Chief Executive for Approval pending next week's meeting.



Update – Wallerawang Biomass Trial



Wallerawang Biomass Trial

- ❖ March 2010 first plantings of native mallee eucalypt trees on 9 farms in Forbes District.
- ❖ Drought resistant cash crop.
- ❖ Mallee is processed into pellets at Condoblin
- ❖ Positive results have been realised so far.
- ❖ ETS required to make this a sustainable generation method.





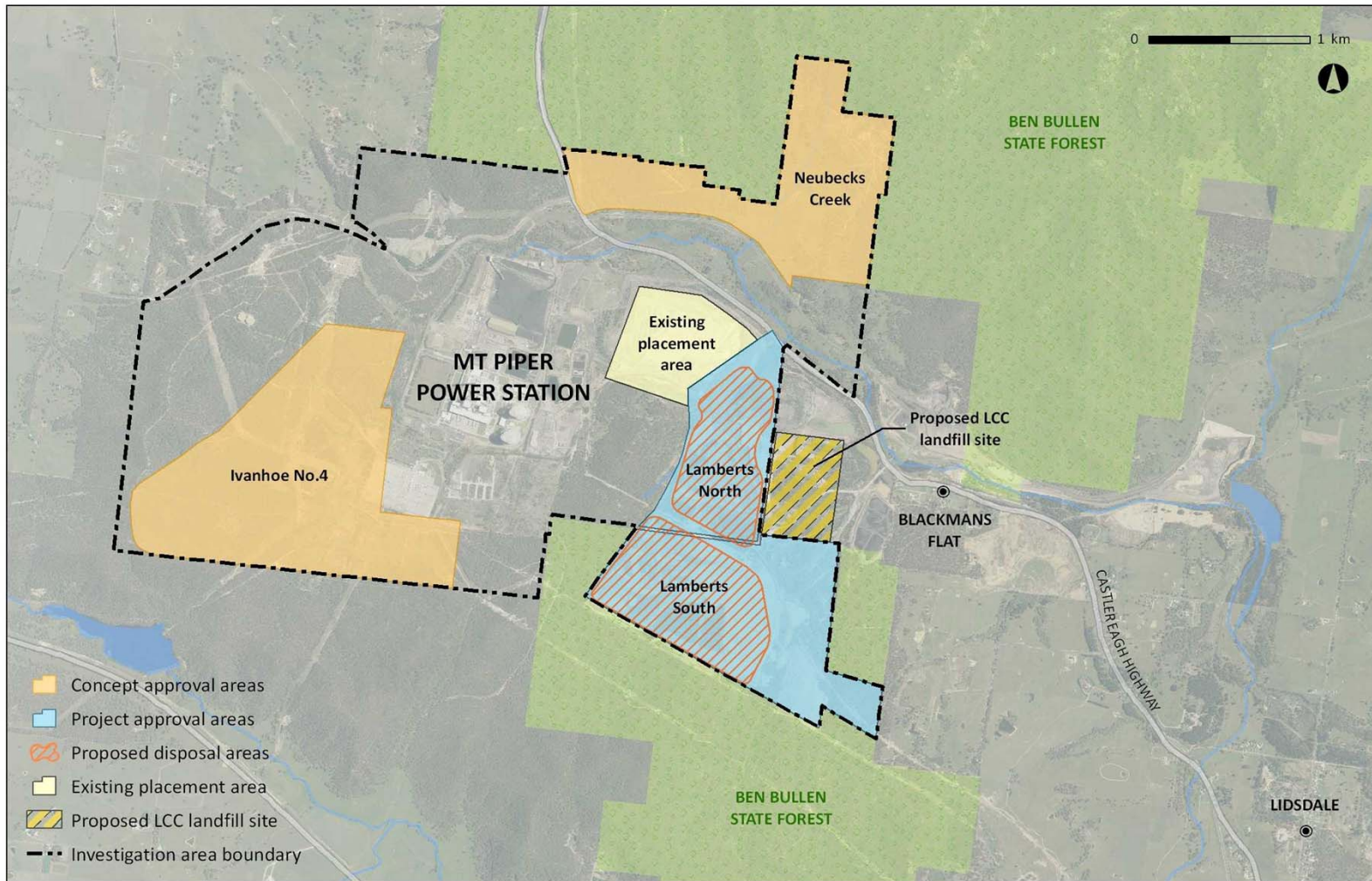
Update – Mt Piper Ash Placement



- ❖ Concept and project approval is being sought for Lamberts North and Lamberts South sites in existing open cut mine workings.
- ❖ Concept approval is being sought for Neubecks Creek and Ivanhoe No. 4.
- ❖ The method of transportation will be finalised as the proposed area is developed. Could include:
 - ★ Covered conveyors
 - ★ Truck cartage
 - ★ Private haul roads

Mt Piper Ash Placement

Proposed ash placement areas at Mt Piper Power Station



Mt Piper Ash Placement

- ❖ Delta is committed to ongoing consultation with our local communities on this project.
- ❖ Lithgow City Council and Local Members have been informed by letter of the proposed project.
- ❖ A newsletter will be sent out to the neighbouring communities advising them of the project and the Environmental Assessment information.



Presentation – NSW Government's Energy Reform Program



Energy Reform process

The NSW Government's Energy Reform Strategy is designed to help secure affordable electricity supplies and economic growth, by

1. Sale of electricity retailers
2. Sale of the trading rights of generators
3. Encouraging private sector investment in the development of new base load power generation through the sale of development sites

Process managed through the Treasury Department.



Sale of development sites

There are six potential sites for new base load power stations:

- Bayswater B in the Hunter Valley (Macquarie Generation)
- Mt Piper Extension near Lithgow (DE)
- Munmorah Rehabilitation project on the Central Coast (DE)
- Bamarang Gas Turbines site (DE)
- Marulan Gas Turbines site (DE)
- Big Hill Gas Turbines site (DE)

The Gen Trader Model

The NSW Government also proposes to sell the trading functions (dispatch of plant to NEM) of Delta, Macquarie Generation and Eraring Energy to the private sector known as Gen Trader.

Progress to date

- ❖ Technical information on plant has been collated.
- ❖ International “road show” to gauge investor interest.
- ❖ Gen Trader contracts are being drafted.



The Gen Trader Model

- ❖ The GenTrader(s) will determine how Delta's power stations will be committed to service and dispatched.
- ❖ A contract between a GenTrader and Delta will include plant operating limits and plant performance requirements.
- ❖ Delta will be exposed to penalties if the plant fails to meet the contract performance levels.

The Gen Trader Model cont./

- ❖ A GenTrader will earn revenue from spot market sales, and in return, make regular payments to Delta to cover fuel and O&M costs
- ❖ Beyond existing arrangements, fuel will be purchased by the GenTrader.
- ❖ Putting Gencos back together is not part of the Reform strategy.
- ❖ GenTrader contracts may be on a unit, power station or regional basis.

Energy Reform process

- Consultants have prepared
 - Independent Engineers reports for each site
 - Information memorandums for each Gentrader region
- These form an overview of information to be provided to bidders
- Further reviews have included:
 - Financial
 - Technical
 - Economic
 - Legal
 - Contractual



Gentrader Regions

- Delta Central Coast Gentrader region:
 - Vales Point
 - Munmorah
 - Colongra
- Delta Western Gentrader region:
 - Mt Piper
 - Wallerawang
- Note - Munmorah is a special case – one option includes MM as a development site with the plant undergoing major refurbishment and capacity restoration





Gentrader Project

- Electronic Data Rooms established for Delta, Macquarie Generation and Eraring Energy
- Electronic Data Rooms for development sites opened in December 2009
- Gentrader Data Room opened 1 July 2010
 - bidders to access relevant information and documents for bids to be assembled.
- Government aiming for completion late 2010
- In place early 2011.

