

**Western Region Community Reference Group Meeting
Mt Piper Power Station
Notes from meeting held Wednesday 23 February 2011**

Attendees: Julie Favell; Boris Hunt; Rob Baigent; Alex Preema, Jim Whitty; Luke Welfare, Delta General Manager, West; Julia Harvey, Corporate Relations Manager.

Apologies: None recorded

1. Welcome

Luke welcomed attendees and introduced new member Rob Baigent from Blue Mountains Conservation Society and Julia Harvey, the new Corporate Relations Manager at Delta.

2. Notes from Previous Meeting – accepted.

3. Action Items

Update on Operations

Mt Piper and Wallerawang – all units running reliably there were a couple of minor outages in January and February. A minor outage (approximately 2 weeks) is planned for Mt Piper unit 1 in the coming months. A further outage of 2 weeks at Wallerawang will follow.

Update on Western Rail Unloader

No change since last report

Approval granted in June 2009 and TRUenergy will develop the unloader if they require it to supply coal to Mount Piper. The unloader site is unchanged and under agreement.

Update on Water management

Water supplies - just under 80% overall, Oberon 54.6%; Lyell did spill in recent rains.

Wallerawang RO Plant has been commissioned. The pipeline from Wallerawang to Mt Piper to manage RO effluent is ongoing and will be completed mid-year. If the RO plant is required in the meantime there is sufficient air space in the ash dam to store the effluent.

There are also ongoing investigations for other projects to reduce water usage eg. vacuum systems; ash water to wash down of conveyers is under construction and the use of ash dam water for the boiler blow down tank.

Ron asked if the RO plant is intended to run continuously and about the capacity of the pipeline. Luke advised that the intention is to run as required by our licence agreements. TRU has committed money to run it and to install fabric filters at Wallerawang. Delta and TRU will also need to work together with DECCW licence conditions.

Update on Wallerawang Biomass Trial

- March 2010 first planting of native mallee eucalypt trees on 10 farms in the Forbes district.
- Takes 5 years to mature and then harvested every 3 years.

- Drought resistant cash crop
- Excellent wildlife habitat
- Planting around crop paddocks will provide protection for other cash crops.
- Mallee is processed into pellets in a series of local sites – possibly up to 6 locations.
- Good rain on 200,000 seedlings lead to high growth rates
- Positive results in site combustion trials with more trials planned for April 2010
- Investigating use of woody weeds from Western NSW to get early start on biomass project.
- Consideration of rail transport into Wallerawang and future application at Mt Piper.
- 20% co-firing at Wallerawang has potential to decrease 1.1M tonnes carbon dioxide pa.
- Long term strategy for 70 million mallee trees to be planted across 300 (contracted) farms
- Provides employment opportunities for central west in growing, harvesting and processing biomass.

Discussion was held about how much of the tree is used and whether farmers are paid by tonne or pellet. Luke advised that all the above ground parts of the tree are used and with the Gentrader transaction it is likely we will move the project to Central Coast.

4. Presentations

NSW Energy Reform

Luke presented an update on the NSW Energy Reform and advised that the Delta West Gentrader bundles had been transacted with the output from Mt Piper and Wallerawang now being traded by TRUenergy from 1 March. The Mt Piper extension site and the Marulan development site were sold to TRUenergy. The Bamarang development site near Nowra has been sold to Infratil. A brief overview was given on how the Gentrader model works.

Discussion about carbon pricing, Gentrader and TRUenergy; on the future of the development site, and why it was purchased and the possible timeframes of future development and how does TRU pay Delta.

The group were advised that it was now up to TRUenergy to decide on the timing and implementation of any development.

Apprenticeship Program

29 apprentices are hosted across Delta sites. Delta has an annual intake of 11 new apprentices each year across the organisation. Main trades are mechanical fitters, electricians and boilermakers, 16 apprentices are hosted by Delta Western through the Central West apprentice group. The program rotates them every 6 months through the 6 workshops across the western sites. Training includes skills such as report writing, project management and computer skills. Delta is committed to its apprenticeship program.

Community Survey

Julia presented the findings of the community survey of 403 people and 31 stakeholders in the Western Region that was undertaken in late 2010.

The survey was undertaken to measure the awareness and acceptance of Delta and its operations in surrounding communities and with other stakeholders, to better understand the issues that drive positive and negative views and to assess the level of awareness and impact of Delta's community sponsorship activities.

Generally the awareness of Delta was high and most people were mostly neutral or positive towards Delta. Particular positives in the Western region were that Delta provides an essential service and contributes to training of young people. Main negatives identified by respondents were effects of emissions on air quality and health, coal dust, greenhouse and climate change and the impact of coal freight on local roads.

Next steps are to incorporate the survey findings into the Stakeholder Engagement & Community Plans.

5. Member's questions

a) Ash PH

Julie F asked information about the PH of ash.

Action: Luke will get this information.

b) Water

Julie requested information on the following: Reverse Osmosis Plant - when is it likely that 50% of the water will be treated by the RO Plant? What amount of water is going down the Tortuous water course? Is Delta going back to DECCW about licence limits? What is the measure for salinity and heavy metals to Cox's River? Julie expressed view that she would like our levels to reflect the background levels 30 – 70 microns.

Boris would like to see the daily releases from the dam on the website and felt that when the levels reach 80% would be good to survey. – Delta would be seen to be doing the right thing.

Action: Delta to investigate how this information is published.

c) Wallerawang Filter Bags

Julie spoke of the support from local doctors in the early as possible installation of filter bags at Wallerawang and would like early action on it.

Luke advised that the project will take some time to complete; we are commencing planning works in the next 6 months however filter bags will take approximately 3 years to put in place. This information will be updated as the project progresses.

d) Feral Goats

Alex advised that feral goat problem still exists and that up to 60 goats are in the vicinity.

Action: Luke advised that work to eradicate the goats had been undertaken and that it was being monitored.

e) Alternative Energy & Carbon Pricing

Boris discussed Delta and alternative energy now that Gentrader had been established in Western Region. Jim also raised the issue as to whether TRU were required to look at other forms of fuel.

Luke advised that DE has taken steps in innovative alternative energy and would like that to continue, particularly with any future carbon tax.

Rob Baigent spoke of lessening of incentives to reduce carbon outputs.

Luke discussed that any future business model and development will be driven by carbon pricing.

f) Ash

Jim raised a concern about ash problem. Luke suggested that this was possibly smutting from cold stack - due to an atmospheric changes.

g) General (earthquakes)

Julie raised the question in reference to the Christchurch earthquake about how local communities know what to do in events such as this – thinking also about earthquakes. And also how are dams surveyed to check on earthquake safety.

Delta has a 1800 recorded information line number which has previously been distributed in the Central coast areas. Community mentioned that they did not currently have them in Western region.

Luke also advised that there are no concerns in Western region re dam safety – the construction and location takes these factors into account.

Action: Luke will advise further on the distribution on the 1800 number magnet.

Next meeting - Wednesday 1 June 2011 at Mt Piper Power Station at 5pm