

CARE FORUM

November 2012

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General Manager Central Coast



Vales Point Research

Anthony Callen
Sustainability Technologist

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Coakes Consulting



OPERATIONS OVERVIEW

November 2012



Safety (to 31 October 2012)

- Vales Point 74 days since last LTI
- ✓ Munmorah 1376 days since last LTI
- ✓ Colongra 1036 days since last LTI (no LTI)
- ✓ NSCA Index 5 Star and 58 (target < 50)
- ✓ Contractors 679 days since last LTI
- Apprentices:
 - Central Coast 175 days since last LTI
 - CC Production 870 days since last LTI

OPERATIONS OVERVIEW

November 2012



Safety Milestones

- ✓ New records for Munmorah, Colongra and Contractors
- ✓ Contractor Records (to 31 October 2012)
 - Toveety Civil 2291 days (6.3 years)
 - Downer Electrical 3737 days (10.3 years)
 - SNP Security 841 days (2.3 years)
 - Morgan Ash 3877 days (10.7 years)
 - Boral Recycling 4290 days (11.8 years)
- ✓ Impairment testing regime is being trialled
- ✓ Drug and Alcohol Random testing
- 'A' Station safety – No LTIs



OPERATIONS OVERVIEW

November 2012



Energy Production

- Vales Point above targets for 12/13 and Colongra below targets for 2012/13 (due to low demand)
- Low demand expected to continue throughout 2012/13

Vales Point

- VP5 currently in service - planned outage in Autumn 2013
- VP6 currently in service

Munmorah

- Closed on 3 July 2012
 - *decommissioning project progressing well*

Colongra

- All four Units available
- Colongra continues to provide support to Vales Point and providing quick responses to market volatility

OPERATIONS OVERVIEW

November 2012



Coal Supplies

- Rail and conveyor supplies continuing (Centennial and Xstrata)
- Limited road/truck deliveries
- LDO (via internal roads)
- Review of longer term LDO deliveries
- South Coast (average 6 trucks/month)



Truck Supplies

- Biomass deliveries commenced 2012/13 (avg. 5 trucks/week 400t/batch)
- VP Ash Dam capping
- VP 'A'-Station demolition



OPERATIONS OVERVIEW

November 2012



Projects

- Cobbora Coal Supply Project
- Vales Point Ash Dam capping & rehabilitation - *underway*
- Vales Point 'A' Station demolition - *continues*
- Carbon Capture Plant relocation from Munmorah to Vales Point - *in progress*
- Munmorah Decommissioning Project
- Bushfire Management works



A-Station Demolition



Ash Dam - raising pond 4 wall

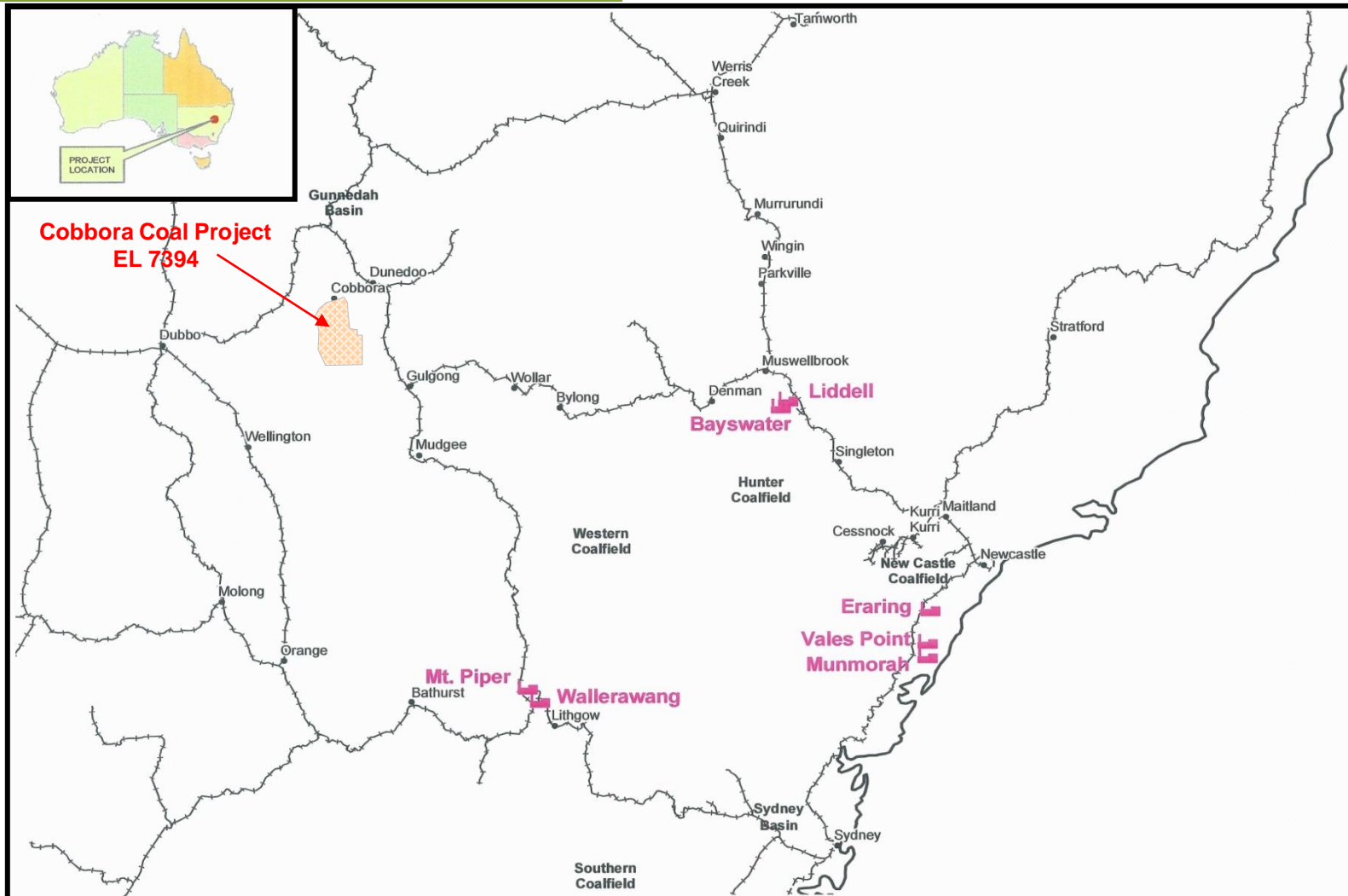
Confidential

Cobbora Coal Project

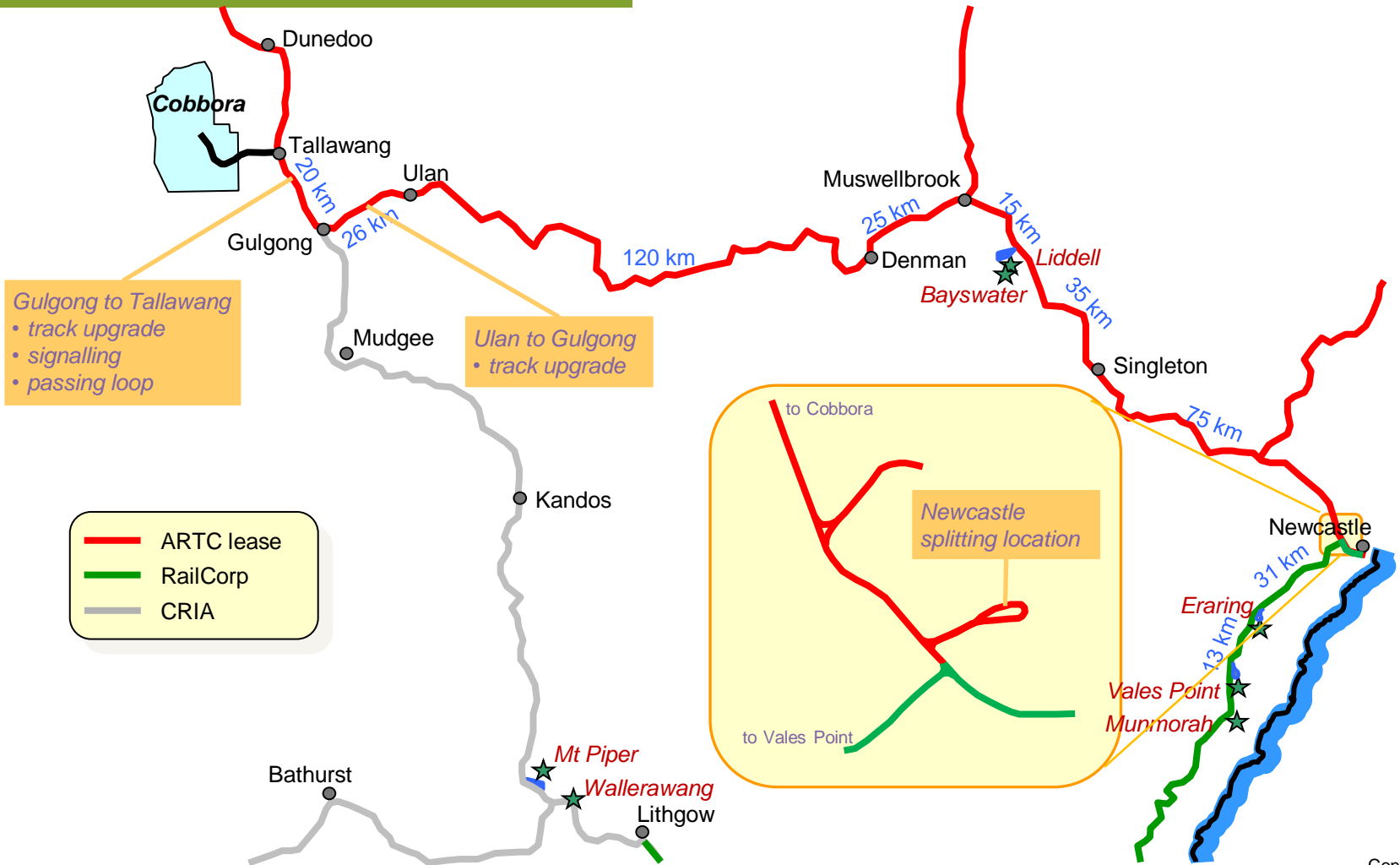


- **What are the coal's properties compared to the fuel from local collieries?**
- **Will the emissions of sulphur dioxide, sulphur trioxide, carbon dioxide increase and by how much?**
- **Why is coal being transported over 350 kms when there are local colliers?**
- **What happens to the contracts with Mannering, CVB and Mandalong Collieries when Cobbora coal starts coming in?**
- **Are Delta being forced by the NSW State Government to take coal from Cobbora?**
- **Is the Cobbora output being supplied to other Generators ?**

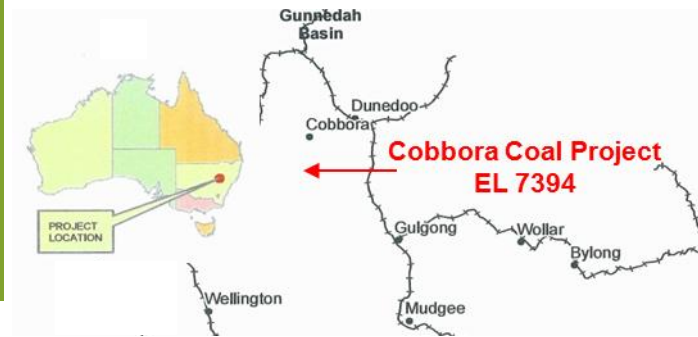
Cobbora Coal Project



Cobbora Coal Project



Cobbora Coal Project



Excerpt from Cobbora Coal Project Environmental Assessment

Near Cobbora in the central west of NSW (to generate electricity at four of the six large coal-fired power stations operating in NSW). Some coal will also be produced for spot sales, most likely to the same electricity generators, or for export.

The Project will include:

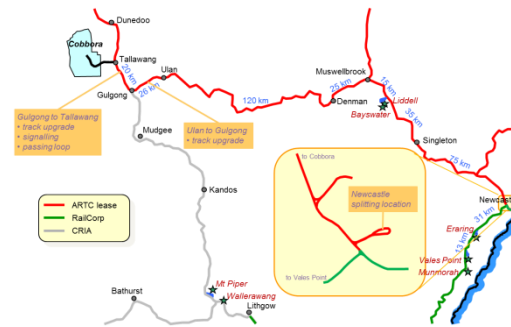
- an open cut mine;
- a coal handling and preparation plant (CHPP);
- a train loading facility and rail spur;
- a mine infrastructure area;
- access roads;
- water supply and storage; and
- electricity supply.

The Project will extract about 20 million tonnes per annum (Mtpa) of run-of-mine (ROM) coal to produce up to 12 Mtpa of product coal.

The mine will operate for 21 years following construction which is planned from mid-2013 to mid-2015.

Rehabilitation will continue beyond the 21 years of mining.

Cobbora Coal Project



Excerpt from Cobbora Coal Project Environmental Assessment

The centre of the mining area will be approximately 11 km south of Cobbora, 22 km south-west of Dunedoo, 60 km east of Dubbo and 58 km north-west of Mudgee (Figure ES.1). The project application area (PAA) is mainly in Warrumbungle local government area (LGA) with smaller areas in Mid-Western Regional and Wellington LGAs.

In October 2010, the NSW Government announced it would develop the Cobbora Coal Project to provide greater long-term cost and supply certainty for coal used to generate electricity. It is owned by the State of NSW and is the proponent for the Project.

Cobbora Holding Company (CHC) has 17-year coal supply contracts with:

Customer	Power Station(s)	Location
Macquarie Generation	Bayswater and Liddell	Upper Hunter Valley
Origin Energy	Eraring	Central Coast
Delta Electricity	Vales Point	Central Coast

CHC supply about 30% of all of the coal used for electricity production in NSW. Remaining coal required for power generation will need to be sourced from other private mine operators.

Cobbora Coal Project



Excerpt from Cobbora Coal Project Environmental Assessment

Table 3.2 Typical product coal characteristics

Coal property	Range	Typical value
Moisture content (%)	8 to 11	10
Gross calorific value (as received) (MJ/kg)	21 to 24	21.5
Carbon (dry ash free)	35.3 to 36.7	35.7
Ash (as received)	22 to 26	24

Table 13.4 Cobbora customers

Customer	Destination	Location	Distance by rail from Tallawang (km)	Typical number of loaded coal trains each day at full production
Macquarie Generation	Bayswater and Liddell	Upper Hunter Valley	205	1
Origin Energy	Ering Power Station	Central Coast	346	2 to 3
Delta Electricity	Vales Point	Central Coast	360	0 to 1
Export coal	For export or other domestic sales	Either Port Waratah or Kooragang Island	313 (to Waratah junction)	1

Cobbora Coal Q&A



What are the coal's properties compared to the fuel from local collieries?

The ash and energy content of the coal is similar to some of the supplies currently consumed at Vales Point and supplied by local mines.

Will the emissions of sulphur dioxide, sulphur trioxide, carbon dioxide increase and by how much?

Emissions of sulphur oxides will remain well within Delta's current licence limits for Vales Point. Carbon dioxide emissions will not vary due to the use of Cobbora coal.

Why is coal being transported over 350 kms when there are local colliers?

Local collieries, and Hunter Valley mines in general, have moved their focus to export markets in recent years. In order to secure future supply and minimise the cost of generation Delta has been forced to look beyond traditional sources of coal.

What happens to the contracts with Mannering, CVB and Mandalong Collieries when Cobbora coal starts coming in?

All contracts for coal supply will be honoured by Delta.

Are Delta being forced by the NSW State Government to take coal from Cobbora?

No. Refer to the response to question 3.

Is the Cobbora output being supplied to other Generators ?

Yes, Macquarie Generation and Origin Energy will also be recipients.

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- Carbon Capture Plant relocation from Munmorah to Vales Point - *in progress*
- Munmorah Decommissioning project
- Bushfire Management works



A-Station Demolition



Ash Dam - raising pond 4 wall

Environmental Update

Brett Corderoy
Environment Manager Central Coast



Community Enquiries

July 2012 to September 2012



Issues raised by community for previous 3 months:

Land Management and Air Quality

- Munmorah Power Station –
 - Green foam at outlet canal
 - Dumping of rubbish in buffer land
 - Trail bikes in buffer land

- Vales Point Power Station –
 - Odour from Ash Dam
 - Noise from steam leak
 - Rubbish at outlet canal
 - Noise from unidentified source
 - Noise from chain sawing works
 - Grey substance in pool

Wyee Fire

5 October 2012



Severity

- Category 3
- State of Emergency
- 50 Vehicles and 6 Helicopters

Impact on Delta

- Minimal
- Good Management and Response
- Asset Protection Zones
- Cladding on RV Conveyor
- Hazard Reduction Burning to occur



Bushfire Management

Works 2012



- Bushfire Risk Management Plan 2012-2016 (BRMP); in place and provides management actions for next four years.

Actions arising from BRMP for 2012:

- Review of Environmental Factors (REF) and Ecological Assessment complete for:
 - Hazard Reduction Burns
 - Asset Protection Zone works (APZ's)
- Hazard Reduction Burns REF approved; RFS to coordinate burns if weather conditions permit.
- APZ's REF awaiting final approval; Delta site services to manage works in conjunction with established mitigation measures once approved.

Community update

Shirley Gray
Commercial Manager

Julia Harvey
Corporate Relations Manager

Hayley Berg
Community Relations Officer



COMMUNITY SPONSORSHIPS & DONATIONS - 2012/2013



LAKE MACQUARIE COUNCIL

- Lake Macquarie Environmental Research Grant
- Lake Macquarie City Council Schools Environment Competition
- Landcare in the Southlakes area

ASSOCIATIONS AND CHARITIES

- Gwandalan Summerland Point Tidy Towns
- Mannering Park Tidy Towns
- Swansea Chamber of Commerce
- Morisset Rotary Club Charity Concert
- Rural Fire Services
- Wyong Zone Group of Playgroups
- Helicopter Rescue Service
- Careflight
- RNS – Bill Walsh Cancer Fund
- Smith Family
- Breakaway
- Mannering Park Country Women's Association

WYONG SHIRE COUNCIL

- School environment competition
- Landcare in Northlakes area

SCHOOL AND UNIVERSITY

- Delta Scholarships at local High Schools
- Representative School Teams
- School's Special Fund Raising Events
- Annual Prize Giving at local Schools

SURF LIFESAVING

- Norah Head Search & Rescue Services
- Caves Beach Surf Lifesaving Club
- Lake Macquarie Coastal Patrol
- Lakes Surf Lifesaving Club
- Soldiers Beach Surf Lifesaving Club
- North Entrance Surf Club

COMMUNITY-SPONSORSHIPS & DONATIONS - 2012/2013 (Events and Activities)



CHRISTMAS FESTIVITIES

- Swansea Carols by Candlelight
- Doyalson Wyee Budgewoi Lions Club Carols
- Blue Haven/San Remo Community Christmas Event
- New Years Eve Community Activities Warners Bay
- Samaritans Foundation – Wyong Christmas Dinner
- Special Children's Christmas Party
- Rotary Club of Gosford Children's Festival
- Toukley Light of the Christmas Tree

FESTIVALS

- Australia Day Big Breakfast
- Morisset Festival
- Jewel By The Lake Festival
- Chain Valley Bay Art & Craft Festival
- Warnervale & District Annual Fair
- Rotary Club of Toronto
- Mannering Park School Anniversary Celebrations
- Gwandalan Festival
- Central Coast Arts Festival