EnergyAustralia

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Stephen O'Donoghue Director Resource Assessments Energy, Resources and Compliance, Planning and Assessment Department of Planning, Industry and Environment NSW

CC Mike Young Executive Director Energy, Resources and Compliance, Planning and Assessment Department of Planning, Industry and Environment NSW

By email: stephen.odonoghue@planning.nsw.gov.au EnergyAustralia Development Pty Ltd ABN 52 120 513 322

Level 19, Two Melbourne Quarter 697 Collins Street Docklands Victoria 3008

RE: Tallawarra Stage B Gas Turbine Power Station Project MP07-0124 Memo – Plume rise performance guarantee

Dear Stephen,

This memo is with reference to one of the matters discussed on the teleconference of 9 February 2021 regarding the letter from CASA of 4 February 2021 (File Ref:F17/8039-27) with respect to the Tallawarra B Project and the recommendation that NSW DPIE satisfy itself that the indicative plume dispersion device design is feasible in practice in respect of achieving the required limits for plume rise.

EnergyAustralia is finalising a lump sum turnkey contracting arrangement (EPC Contract) with GE-Clough JV for the design, procurement, construction and commissioning of the Tallawarra B Project. The EPC Contract will specify that in delivering the plant, GE-Clough JV must achieve a plume rise at least as favourable as <6.1m/s at 700ft AMSL. GE-Clough JV have confirmed that they will accept this performance requirement.

Once the EPC Contract has been awarded, GE-Clough JV will finalise the design, fabrication and installation of the Plume Dispersion Device (PDD), confirming that all of the principles that have been demonstrated in the CFD modelling performed to date have been met. This includes a plume rise validation exercise using the CFD model before finalising the design and releasing for manufacture. As a precondition of practical completion, GE-Clough JV will perform a performance guarantee test to demonstrate that the plant physically achieves the exhaust parameters that demonstrate compliance with the <6.1m/s at 700ft AMSL requirement.

The effect of this performance requirement is that the plant will not achieve practical completion under the EPC Contract unless the plume rise conditions are satisfied. Consistent with this type of contracting structure, a failure of GE-Clough JV to achieve practical completion would expose it to liquidated damages and possibly damages at law.

This risk allocation means that EnergyAustralia has a high degree of confidence that, in conjunction with the other work being done in respect of the plume dispersion device design, the limit on plume rise velocity will be achieved and that the indicative plume dispersion device design is feasible in practice.

Regards

Paul Farnworth Project Director, Tallawarra B Project EnergyAustralia Development Pty Ltd