

HUNTER POWER PROJECT

Environmental Impact Statement Rev 0 - Final 22 April 2021

Comments from Graeme Jessup

Introduction

The electricity market is rapidly changing and with climate change becoming an increasingly significant issue it is important that we plan well for the future. The Federal Government seems wedded to the concept of a Gas Led Recovery despite many energy specialists saying this is not the path to a sustainable future. For this gas fired proposal to go ahead there should be a thorough independent engineering and economic assessment which addresses other viable options and looks at the long term implications of the government intruding into the commercial marketplace.

As far as I can see this has not been undertaken in the detail necessary to assure that the Proposal is in the best interests of the community. The concerns I have are outlined below – I think it would be inappropriate for the NSW Government to give its seal of approval for this Proposal until there has been a much more objective assessment.

Liddell closure

One of the government's justifications for this new power plant is that when the Liddell power station closes, the market will face a shortfall of 1,000 megawatts of electricity which will need to be sourced elsewhere. This is disputed by key energy bodies, the ESB and AEMO. AEMO says the shortfall will only be 154MW. A rational basis for this Proposal can only be based on use as a Peaking Generator for rare occasions when solar and wind are compromised by unusually unfavourable weather conditions that impact the whole of the east coast of Australia.

Is the proposed project really necessary?

The EIS does not provide adequate justification that this Project is really necessary. AEMO in its latest ISP seems confident that there will be sufficient generating capacity to offset the proposed sequence of coal mine closures. The risk of losing adequate capacity due to unfavourable weather patterns affecting solar and wind generators is of course a significant matter, but again as far as I can see AEMO and the ESB seem confident that the Grid will be able to cope. The matter of diversity in the location of generation is very important and surely the generating patterns on record for the last ten years or so would provide sufficient data to evaluate this risk – and I would be surprised if a comprehensive study has not been undertaken by AEMO and the ESB. However the EIS does not refer to such a study and neither does it provide any statistical basis for making the statement in section E8 that:

*“Without dispatchable and firming generation or grid scale storage, a power system that is solely reliant on intermittent renewable generation will have unacceptable levels of customer supply failure. **Therefore, the Proposal is a vitally important component in the transition to renewable energy,.....**”*

The real question is whether the Proposal is necessary **in addition to all the other measures** that are or will be embedded in the Grid that provide a dispatchable backup. And these will include the considerable impact of Demand Management arrangements that can be put in place to reduce demand at critical times.

The Project Scale

There does not appear to be any comprehensive assessment of how much capacity is justified for the Project. Why has it been set at 750MW? And could it be staged in three smaller increments of say 250MW – allowing for the ongoing assessment of whether more or less generation is required. This is a major project and requires an expert analysis various options.

Are there any flow on impacts not clearly stated?

Costs

The estimated cost of \$600M does not seem to include the provision of a gas connection.

The Proposal would require connection to a new gas transmission and storage pipeline, which would connect into the existing Sydney to Newcastle Jemena Gas Networks (JGN) gas transmission pipeline, with the tie in point to be located within the proximity of the Newcastle area. The new gas transmission and storage pipeline, and the gas receiving station, would be designed, constructed, operated and maintained by a third party, and would be the subject of a separate application for approval

Are there other significant additional costs associated with this Proposal? And what about the estimated running costs and the annual costs? How will this Proposal lead to lower gas prices?

Gas Supply

As a peaking generator with an estimated annual running time of around 2% the impact on carbon emissions will be small. However will the approval of this Project lead to a justification (erroneously) for the continued expansion of the gas supply and for the ongoing extraction of coal seam methane in new projects such as Narrabri?

Conclusion

In my opinion the case for proceeding with this Project has not been adequately established. There needs to be a comprehensive evaluation of the need and cost benefits of undertaking this Project before any further approval can be granted.

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