

**HUNTER POWER PROJECT  
(KURRI KURRI POWER STATION)**

**Submission by  
Hornsby Shire Climate Action Group**

**(OBJECTION)**

**1. Introduction**

Hornsby Shire Climate Action Group is a community group focussed on understanding and monitoring issues arising from climate change and associated global warming, on raising awareness of these issues in the community generally and among political representatives, and on motivating our leaders to take action consistent with the existential threat which climate change now represents.

This submission is in response to the invitation for submissions as set out on the website of the NSW Department of Planning, Industry and Environment<sup>1</sup> (the Department).

**2. The Proposal**

The Australian Government has proposed the construction of a gas fired power station at Kurri Kurri in New South Wales, to be constructed and operated by Snowy Hydro as part of their suite of generation assets.

The proposal to construct the plant using government funds was confirmed on or about 18 May 2021<sup>2</sup> following the refusal of private enterprise to invest in such an enterprise by the deadline set by the government.

The basic proposal is set out in the EIS prepared by Jacobs for Snowy Hydro, dated 22 April 2021. Some key features of the proposal include:

- Twin turbine open cycle gas turbine power station, consistent with use as a peaking power supply.
- Total generating capacity of up to 750MW.
- Potential to start operating from the end of 2023.
- Likely capacity factor about 2%, due to use only for brief periods of supply-demand imbalance.
- Capable of running on diesel pending supply of gas.
- Dependant on the construction by other parties of gasfield and pipeline infrastructure to deliver gas to the station.

---

<sup>1</sup> <https://www.planningportal.nsw.gov.au/major-projects/project/40951>

<sup>2</sup> <https://www.abc.net.au/news/2021-05-18/federal-government-commits-600m-for-kurri-kurri-gas-plant/100147956>

### 3. Context

In order to consider the Government's proposal, it is first necessary to examine the context in which this has been proposed and in which any attempts to implement it would proceed. To this end, we note the following summary points:

- a) The world is "waking in fright" to the catastrophic consequences of the current trajectory of inadequate action to address global warming, following decades of negligent inaction by governments around the world.
- b) This is starkly illustrated by a recent report "Net Zero by 2050" by the International Energy Agency<sup>3</sup>, a body originally set up to support the global fossil fuel industry. This report states: *"This special report is the world's first comprehensive study of how to transition to a net zero energy system by 2050 while ensuring stable and affordable energy supplies, providing universal energy access, and enabling robust economic growth. It sets out a cost-effective and economically productive pathway, resulting in a clean, dynamic and resilient energy economy dominated by renewables like solar and wind instead of fossil fuels."*
- c) Importantly, the report notes that there **must be no new fossil fuel sources developed from this year**. This would include the uneconomic and environmentally hazardous Narrabri gas field and all other possible gas fields, without which the pipeline infrastructure necessary for the Hunter Power Project will not be built.
- d) Put simply, at a time when an urgent and rapid transition away from fossil fuels is critical for our collective survival, the proposal for a new gas fired power station is irrational and entirely counterproductive.
- e) If it did proceed, then at 2% utilization using expensive gas or very expensive diesel, the plant would be a major loss making enterprise. This is obviously why private enterprise declined to invest. Any power produced would only act to increase power prices because of the high cost of fuel<sup>4</sup>.
- f) The uneconomic nature of such plants is illustrated by the failure of a gas turbine plant to respond when the Callide C unit exploded because it was only prepared to offer power at the maximum \$1500/MWh and the wholesale spot price never reached this maximum upper limit during the course of the crisis.
- g) The proposal is not supported by AEMO whose integrated system plan does not indicate a need for such plants, or by the Energy Security Board whose chairperson Kerry Schott<sup>5</sup> has indicated that there are other projects in the pipeline which will satisfy energy security requirements as Liddell closes down. The NSW Minister for Energy and the Environment has also criticised the proposal on the basis that gas fired power is simply uneconomic<sup>6</sup>.

---

<sup>3</sup> <https://www.iea.org/reports/net-zero-by-2050>

<sup>4</sup> <https://inql.com.au/business/2021/03/24/accc-boss-slams-industry-for-stunning-failures-to-make-our-gas-cheaper/>

<sup>5</sup> <https://www.theguardian.com/environment/2021/apr/30/australian-energy-board-chair-says-gas-fired-power-plant-in-hunter-valley-doesnt-stack-up>

<sup>6</sup> <https://www.smh.com.au/politics/nsw/value-for-money-3-2-billion-deal-for-nsw-to-bolster-solar-big-new-battery-20210524-p57uon.html>

In short, the proposal makes no economic sense, is dependant on other developments which cannot proceed if Australia is to meet sensible climate commitments, and is not supported by the key authorities responsible for the electricity market and energy security. It is difficult to understand why the Australian Government is pursuing this proposal against the available advice and in conflict with the need for international action on climate change.

#### 4. Our Objections

Based on the context as set out above, we object to the proposal on the following grounds:

- a) Natural gas (methane) is NOT a transition fuel. While full combustion releases much less CO<sub>2</sub> per unit of effective energy than the combustion of coal, methane itself is a highly potent greenhouse gas. Even small amounts lost to the atmosphere through leakages and fugitive emissions, as well as emissions due to flaring of unusable gases and other aspects of the complete fuel cycle, result in gas being a highly polluting fuel<sup>7</sup>.
- b) There is already a massive global problem with leakages from abandoned gas and oil wells<sup>9</sup>, with governments already burdened by a massive task to locate and seal these leaks.
- c) Hence the construction of a gas fired power station is directly contrary to the concept of transitioning away from fossil fuels to non-greenhouse-polluting sources of energy.
- d) We note the recent court case which imposes on governments a duty of care to consider the climate change impacts on future generations<sup>10</sup>.
- e) The proposal is dependant on development of gas fields and pipelines which simply cannot be developed. It is based on concepts which are at least a decade out of time, and which fail to recognise the current reality of a desperate need to urgently transition away from fossil fuels.
- f) The proposal is in direct contradiction of the NSW government's plans for transition away from fossil fuels (the renewable energy roadmap)<sup>11</sup>.
- g) The proposal is in direct contradiction of the Australian government's responsibilities under the terms of the Paris Accord, which require Australia to increase its ambition and associated targets on the basis of carrying its fair share of the adaptation burden<sup>12</sup>.

---

<sup>7</sup> International Energy Agency: Methane tracker database, 18 January 2021.

<sup>8</sup> Renew Economy: Ticking fossil industry time bomb must be defused, says IEA, 19 January 2021.

<sup>9</sup> Reuters; Nichola Groom; 16 June 2020: Special Report: Millions of abandoned oil wells are leaking methane, a climate menace.

<sup>10</sup> <https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2021/2021fca0560>

<sup>11</sup> <https://energy.nsw.gov.au/government-and-regulation/electricity-infrastructure-roadmap>

<sup>12</sup> <https://www.smh.com.au/world/europe/top-energy-chief-tells-australia-to-get-to-net-zero-emissions-before-2050-20210517-p57sq7.html?fb>

There are of course many other grounds for objection which we have not sought to list in detail. We believe that the above are so overwhelming by themselves that **the proposal must be rejected**.

Yours sincerely

*HORNSBY SHIRE CLIMATE ACTION GROUP*

[hornsbyclimate@gmail.com](mailto:hornsbyclimate@gmail.com)

