

Friday, 6 November 2009

MAJOR EXPANSION FOR TORRENS ISLAND POWER STATION

Premier Mike Rann and Energy Minister Patrick Conlon have welcomed today's announcement by energy generator AGL that it plans a major expansion of the Torrens Island Power Station (TIPS) in an investment worth up to \$800 million.

The company has announced plans to increase peaking generation at the plant by more than 50 per cent with the installation of either two larger or four smaller new generation gas turbines and the construction of a major new gas storage facility.

Mr Rann says the project's aim is to provide South Australians with further security of supply – especially over hot summer periods when surges in energy usage are usually experienced.

“AGL informs me that when the expansion is fully developed, it will be capable of producing 700 megawatts of peaking generation and combined with the existing Torrens Island Power Station, it will make it one of the biggest power stations in Australia.

“This expansion not only provides the State with greater energy security but will also provide many hundreds of jobs for South Australians during the construction phase.”

Energy Minister Patrick Conlon says part of the project involves the construction of a gas storage facility to provide a safe and effective means of storing natural gas piped down from Moomba in the north of the State or Otway Basin in Victoria.

“The facility will provide a strategic reserve of natural gas which can play an important security of supply role during periods of peak electricity or gas demand or during periods of supply disruptions,” Mr Conlon said.

“The stored liquefied gas can be converted for use directly in the power station or re-injected into the gas distribution pipelines for supply into the Adelaide and South Australian gas market.”

AGL Chief Executive Michael Fraser, said this development is about long-term planning for South Australia's future electricity generation requirements.

“Once the application process is completed, and we have consulted fully with the Government, the local Council and community groups, AGL will assess the market's conditions and take a decision on the optimum timing for this exciting project,” Mr Fraser said.

Following today's announcement, AGL will prepare a Torrens Island Power Station expansion plan for approval under section 49 of the *Development Act 1993: Crown Development and Public Infrastructure*.

The company will begin a period of consultation as part of that process as well as prepare a comprehensive environmental and social assessment study to support its application that will ultimately have to be considered by the Development Assessment Commission.

The company expects to formally lodge an application in January 2010 and if approved, and taking into account energy market conditions, AGL hopes to begin construction in about two years.