Camden Gas Project

CCC Update: 21/09/2017 - 31/12/2017





Correspondence

- 27/09/2017: Draft CCC minutes circulated
- 30/10/2017: Local Community Investment Program (LCIP) applications open
- 01/11/2017: 2016-2017 Annual Environmental Performance Report
- 05/12/2017: Details regarding LCIP applications and teleconference details
- 09/12/2017: NSW Generation Plan update
- 11/12/2017: Teleconference regarding LCIP applications
- 21/12/2017: Action responses from September CCC meeting
- 03/01/2018: LCIP update

AGL Business Update

AGL has outlined plans for Liddell Power Station beyond its announced retirement in 2022.

The NSW Generation Plan proposes a mix of high-efficiency gas peakers, renewables, battery storage and demand response, coupled with an efficiency upgrade at Bayswater Power Station and conversion of generators at Liddell into synchronous condensers. The feasibility of a pumped hydro project in the Hunter region is being explored with the NSW Government.

Details of the plan, which was developed to align with the National Energy Guarantee, can be found here.

Graeme Hunt, Chairman of AGL said: "This plan demonstrates that old power plants can be replaced with a mixture of new, cleaner technology, while improving reliability and affordability.

"Decisions for the investments are staged to enable flexibility to respond to the changing needs of the market and improvements in technology over the next five years," Mr Hunt said.

The AGL Board has approved the commencement of efficiency improvements at Bayswater that will create more capacity without using additional fuel; ordering equipment to convert generators at Liddell to synchronous condensers; and the signing of contracts to purchase 300MW of generation from two new solar power stations to be developed by third parties in NSW.

An assessment of AGL's plan found the replacement generation is more affordable at \$83/MWh, compared with extending Liddell at \$106/MWh.

The plan was also found to deliver reliable, dispatchable power for longer, due to a longer asset life of 15-30 years, compared with a Liddell extension of five years.

Independent analysis found an extension until 2027 would cost approximately \$920 million.

The AGL Board also considered selling Liddell and determined that a sale would not be pursued as Liddell is currently needed to supply energy to its customers and will be repurposed to form part of its alternative generation post 2022.

In addition, as Liddell shares infrastructure with Bayswater Power Station – such as coal unloading facilities and water systems – separating it would require duplication of this infrastructure.

AGL has committed to its workforce it will not use forced redundancies when Liddell retires in 2022.

AGL's proposed portfolio to replace Liddell will shrink its carbon footprint by 17.6%.

AGL provided seven years' notice of the closure of Liddell to avoid the volatility in the market that has been seen from the sudden closure of other coal and gas plants.



Operations & Environment

Compliance Monitoring

- AGL Camden Gas Project Annual Environmental Performance Report (AEPR) for the reporting period from July 2016 through until June 2017 was completed and uploaded to <u>Camden Gas Project</u> website.
- Rosalind Park Gas Plant quarterly noise compliance monitoring was completed by external
 consultants in December. All noise monitoring results were compliant with Environment Protection
 Licence noise limits.
- Monthly and quarterly air emissions monitoring was completed by external consultants at the
 Rosalind Park Gas Plant. All air emissions monitoring results were compliant with Environment
 Protection Licence limits. Summary reports with monitoring results are available from the <u>Camden</u>
 Gas Project website.
- The annual gas leak audit was completed by external specialist consultants throughout November.
 The audit tested for gas leaks across the Rosalind Park Gas Plant, all producing well sites and the gas gathering line network. AGL will provide the CCC with a summary report in early 2018 when the results are available.

Environment Protection Licence 12003

- AGL received a variation to Environment Protection Licence 12003 on 14 December 2017.
- The variation replaced the condition requiring continuous emissions monitoring on Compressor #2 and #3 with a Predictive Emissions Monitoring System on Compressor #2 and #3 as an early warning system to detect when Nitrogen Oxide levels are likely to increase. The concentration limit for Nitrogen Oxides on Compressor #2 and #3 was also reduced from 461mg/m³ to 220mg/m³.

Complaints

- AGL received one complaint on 10/11/2017 on our Facebook page regarding one of our employees driving unsafely in Mount Annan.
- AGL investigated the matter including collecting information from the team member and from the staff at a shop where the incident occurred. Based on the information gathered, AGL are satisfied that the incident does not require any further action.

Decommissioning & Rehabilitation

Since the September CCC meeting, the following wells have been decommissioned:

- Lipscombe 01
- Joe Stanley 01
- Joe Stanley 03

The Workover Rig is currently on annual leave break at Joe Stanley 04. It will start up again on 15 January 2018 to resume the decommissioning of this well.

Rehabilitation is progressing on all well sites from the 2017 decommissioning schedule.

Once the Workover Rig has finished decommissioning Joe Stanley 04 it will move to Rosalind Park 09 for general maintenance work on this well.

From here it will undergo maintenance works including Non-Destructive Testing, which tests the equipment to ensure the safe working of the Rig.

The Workover Rig will then complete a series of general maintenance works.



Landowners

AGL continues to regularly communicate with landowners regarding access to well sites for planned workover maintenance and decommissioning activities on the land. Consultation is also occurring with regard to surface rehabilitation of well sites once decommissioning of the well is complete.

Community & Stakeholders

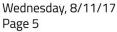
Local Community Investment Program (LCIP)

Applications opened 9am on Monday 30 October and closed at 5pm on the 27th of November.

The program was advertised in all local newspapers:

Camden Advertiser







Wednesday, 15/11/17 Page 5

Campbelltown Advertiser



Wednesday, 8/11/17 Page 11

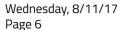


Wednesday, 15/11/17 Page 9



Wollondilly Advertiser







Wednesday, 15/11/17 Page 5

Macarthur Chronicle



Tuesday, 14/11/17 Page 18

Applications were to be a maximum of \$5,000, and we had \$25,000 to spend this round.

During the application period AGL received 15 applications from a variety of local community groups, including:

- Camden District Care
- Camden Equestrian
- Camden Rugby
- Douglas Park Little Athletics
- Kentlyn Public School
- Macarthur Centre for Sustainable Living (late application)
- Macarthur Preschool

- Metropolitan South West Hockey
- Mother Hubbard's Cupboard
- Picton Community Christmas Carols
- Picton Rangers Soccer Club
- Picton Strings
- The Oaks Pony Club
- Wollondilly Council
- Youth Solutions



CCC Members were provided with the applications through 'Dropbox'. A teleconference was then hosted with CCC Members. AGL had one CCC member join the teleconference and one provide feedback on the applications.

All applications were discussed, and it was decided to put forward the following applications (although some questions will need to be answered by the applicants before funding is granted):

- Kentlyn Public School, for a new dishwasher and oven
- Macarthur Preschool, for the installation of energy efficient lighting
- The Oaks Pony Club, for the completion works for a new toilet block
- Picton Rangers Soccer Club, for the upgrade of the parking lot at Hume Oval
- Douglas Park Little Athletics, for the establishment of a new building to store equipment

All applicants have been written to and advised of the outcome.

Next meeting date

The next meeting date for the Camden CCC is on Wednesday, 14 March 2018 at 5:30pm.