

## **MEDIA RELEASE**

**20 May 2004**

### **Kogan Creek Power Station Project Commences**

**CS Energy today announced its commitment to commence the Kogan Creek Power Station Project, a 750 megawatt plant to be built at Chinchilla in south west Queensland and linked directly to the National Electricity Market.**

CS Energy's Acting Chief Executive, Richard Boys, said that the continuing growth in electricity demand in the National Electricity Market, and particularly in Queensland, has underlined the need for investment in new generating capacity.

"Demand for electricity in Queensland is growing faster than in any other state and Kogan Creek Power Project will ensure there is capacity in the system to handle a summer like the one we have just experienced," he said.

"The Kogan Project has been under consideration for some time but was deferred until it became clear that additional generation capacity was needed. The project was specifically recognised in the Queensland Government's Clean Energy Policy, released in mid 2000, and the requirement for this new capacity has now been clearly demonstrated."

Kogan Creek Power Project will be the largest single generating unit in the National Electricity Market and will use super critical technology, making it one of the most environmentally friendly large-scale power stations in Australia.

"Kogan Creek is designed to ensure minimal impact on the environment. Importantly, in this thirsty country, the station will use ninety percent less water than a conventional power station. Deep bores ensure that even these minimal water requirements place no pressure on the fragile Condamine River system," said Mr Boys.

Construction at Kogan Creek will take about 3 years, with peak employment of more than 1000 jobs, and is expected to be fully operational in September 2007. When complete, the Power Station will employ about 70 people. Development of the nearby Kogan coal deposit will provide permanent employment for a further 50 people.

"This is an important new project for the Chinchilla district and will provide opportunities for local business and employment which will give this area a strong economic boost"

CS Energy is a government owned corporation, which owns and operates Swanbank Power Station, near Ipswich in southeast Queensland, Callide Power Station, near Biloela in central Queensland, and Mica Creek Power Station in Mount Isa.

**ENDS**

**Contact:**

Phillippa Mowle  
Manager, Marketing and Communication  
Ph: 07 3222 9380  
Mob: 0417 782 339

## **Kogan Creek Power Project Background**

### **Project Details:**

- 750MW nominal capacity single unit coal-fired power station incorporating advanced supercritical technology and air cooling (often referred to as “dry cooling”).
- KCPP will be constructed by a consortium of Siemens and Hitachi under an engineer, procure, construct contract.
- A new 2.8 million tonne per annum coal mine, immediately adjacent to the power station, delivering coal via a 4km conveyor belt.
- A 28 km, 275kV transmission line connecting the power station to the National Electricity Market at the Braemar switching station on the Qld-NSW Interconnector (QNI).
- Three groundwater bores and associated pipelines supplying approximately 1500 megalitres per year (ML/yr) of water to the power station and coalmine.
- The project will be located 20 km south of Chinchilla and will be the largest single generating unit in Australia.
- KCPP will generate electricity 24 hours a day, 7 days a week, and will supply power to both Queensland and NSW.

### **Economic impact**

- Construction will take about 3 years with peak employment of more than 1000 people.
- When operational, the Power Station will employ about 70 people, and the mine a further 50 people.
- At least 40% of the value of the Project will be carried out by Australian contractors.
- Following construction, CSE will source goods and services (such as cleaning, catering & security) locally.
- The ready supply of low cost, good quality steaming coal from the adjacent Kogan Creek coal deposit will make Kogan Creek Power Station one of the lowest cost producers in the National Electricity Market.

### **Environmental benefits**

- Minimal water consumption and waste water reuse through the application of best-practice dry cooling technology and water management practices.
- KCPP will use about 90 percent less water than a conventional, wet cooled station. This removes the risk of reduced output during times of drought, as is the case at power stations using fresh water for cooling.
- Reduced greenhouse gas production as a consequence of the selection of advanced steam cycle supercritical plant technology, improved plant efficiency, and the favourable properties of the Kogan Creek coal.
- CSE’s existing operations are certified under ISO 14001, an internationally recognised environmental management standard. We will be seeking certification for Kogan Creek.

- Return of power station ash to the coal mine to be integrated with open cut overburden as part of a comprehensive and ongoing site rehabilitation program.

### **About CS Energy**

- CS Energy is a Queensland government owned corporation that operates around 3,000 megawatts of electricity generation plant at several sites across Queensland.
- The company uses a mix of fuels, including coal seam methane and landfill gas, in its operations.
- CS Energy supplies the National Electricity Market from its operations at Swanbank, near Ipswich and Callide, near Biloela. Its Mica Creek operation at Mount Isa is the major electricity supplier for the mining and minerals processing business in the north west, as well as the communities of Mount Isa and Cloncurry.

### **Environmental benchmarks for KCPP**

<b>Benchmark</b>	<b>Improvement on National average</b>
Water	90.0%
CO <sub>2</sub>	5.0%
NOx	22%
Particulates	55%