

Mortlake Power Station Project

Community Newsletter

No 7 October 2007

This is the seventh in a series of project newsletters designed to keep you informed of the progress of Origin Energy's proposed Mortlake gas-fired power station.

Project progress

Since our October 2006 newsletter, the EPA Works approval has been granted for the Mortlake Power Station.

Origin has issued a Request for Proposal to major gas turbine manufacturers for the supply of the first 500MW of open cycle equipment for its proposed 1000MW gas-fired power station near Mortlake in western Victoria. This is a positive step forward for the proposed development.

Victoria's future generation needs

Although there is still uncertainty over the details of an emissions trading scheme, the forecast need for new generation capacity in Victoria now appears more certain – with predictions relating to growth in electricity demand and to the penetration of wind power being more consistent.

Based on present trends, new power generation capacity is forecast to be needed in Victoria by 2011.

Origin's next steps

Origin has commenced its process to determine:

- pricing for core equipment (through Request for Proposal)
- detailed power station design
- project construction cost (power station and associated pipeline)
- construction schedule
- project life cycle cost and viability in the electricity market.

The project details including capital cost, construction schedule and economics will be presented to Origin's Board of Directors when the process is complete. A decision to proceed could be expected towards the middle of 2008.

Such a decision could result in the first stage of the Mortlake Power Station being operational in late 2010.

Timeline

Indicative earliest dates

Q4 2007

Detailed project design and pricing process underway

Mid 2008

Origin Board decides whether to commit to the capital cost of the Project

From late 2008

If approved, work commences on construction through the preferred construction contractor

From 2010

Power station operation due to commence

Origin will continue to assess the supply and demand projections for electricity in Victoria. The final investment decision, and timing, will depend on this ongoing assessment.





Cultural heritage survey completed

Framlingham Aboriginal Trust holds statutory responsibilities for Aboriginal cultural heritage approvals for the project area.

In 2005, the complete length of the pipeline route was surveyed for cultural heritage issues. Following the survey, a Cultural Heritage Assessment was prepared and released as part of Origin's environmental effects statement on the project.

The assessment identified the valleys and slopes along the Curdies River and Mt Emu Creek had the greatest sensitivity for undisturbed sites including scarred trees, stone artefacts and isolated artefacts, and more detailed monitoring of these areas is to be undertaken during the pipeline construction.

A follow up archaeological assessment was undertaken in March 2007 to address several minor amendments to the pipeline route. An addendum to the Cultural Heritage Assessment was consequently submitted to the relevant government authorities. No additional sites of significance were identified in this assessment.



Victorian Minister for Energy Peter Batchelor (centre) met with Origin's Julian Turecek and Geoff Burns on the site of the proposed Mortlake Power Station.

Energy Minister reviews the Mortlake Power Station Project

Earlier this year, Origin's Development Project Manager for Mortlake Power Station Project Geoff Burns and National Manager Regulatory & Government Affairs Julian Turecek hosted the Hon. Peter Batchelor, Minister for Energy, Resources & Victorian Communities on a tour of the western Victoria energy hub.

Accompanying the Minister were Director Business Technology & Development, Department of Primary Industries Cliff Kavonic; Acting Director, Energy Investment & Sustainability, Department of Primary Industries John Krbaleski; and the Minister's Chief of Staff, Susanne Legena, and Media Advisor Martin Curtis.

The tour included the route of the proposed gas pipeline as well as the proposed power station site on Connewarren Lane.

Overall the Ministerial party seemed very impressed with the project, the proposed pipeline route selection and especially the selection of the site for the proposed power station.

Minister Batchelor said,

"There are few projects as important to the State's energy future as the Mortlake project..."

On tour the Minister also saw a geo-sequestration demonstration project at Narranda South near Warrnambool, construction progress on the Otway Gas Plant near Port Campbell and the Codrington wind farm near Port Fairy.



Contact details

If you have any questions regarding the information presented please contact:
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Employment and business registers
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Registrations will be provided to the preferred tenderer once appointed as Origin Energy will not be engaging any labour or subcontractors directly.

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