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**DELTA ELECTRICITY REDUCES CARBON EMISSIONS WITH
RENEWABLE BIOMASS ENERGY**

Delta Electricity today launched the first stage of its proposed \$250 million Biomass Co-firing Project which could see up to 20 per cent of coal usage at Wallerawang Power Station replaced with carbon-neutral renewable biomass.

During the trial project, over 200,000 native Mallee Eucalypt trees will be grown across ten participating farms around Forbes, in Central Western New South Wales. The trees will be harvested and processed into renewable fuel pellets that can readily substitute for coal in the existing base-load coal fired power station.

The trial is designed to provide information about seedling survival and growth rates for the trees, ensure the concept is right for farming practices in the Forbes area and to prove the capacity of Mallee trees to provide for co-firing Wallerawang power station with 20 per cent biomass.

The Chief Executive of Delta Electricity, Jim Henness said the project was in line with Delta's focus on developing non-coal based energy sources to power New South Wales' electricity needs.

"We believe biomass has huge potential to diversify Australia's reliance on coal based power," Mr Henness said.

"The uptake of this technology will grow as other coal generators recognise the benefit of this innovation as a means to reduce carbon emissions by using renewable energy fuels. At the same time it supports the rural sector with a drought resistant and guaranteed cash crop."

In New South Wales, over 85% per cent of electricity is generated in coal fired stations so if the trial demonstrates the potential for expansion, the environmental potential of this project is significant. Wallerawang Power Station would require more than 1.2 million tons of raw biomass per annum and its use as fuel would reduce carbon dioxide emissions by one million tonnes per year.

The Co-Firing Project would comprise three significant stages:

- Fuel generation – Mallee trees reach maturity at 5 years. The foliage is harvested every 3 years.
- Fuel Production – Aggregated farmers to supply chipped biomass from designated plantations
- Fuel Processing – Locally established facility to condition and pelletise the fuel for transport and biomass processing facilities to be built at power stations with modifications to the boiler to fire the biomass.

About Delta Electricity

Delta Electricity is Australia's largest generating company, with over 5,000 MW of installed capacity. Delta produces electricity from coal, gas, mini hydro and biomass technologies.

The Wallerawang Power Station comprises 2 x 500MW coal fired generating units located near Lithgow in regional New South Wales. It is a major power station asset supplying the eastern Australian National Electricity Market.

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