

MEDIA RELEASE

UNDERWRITING NEW GENERATION INVESTMENT (UNGI)

Delta Electricity, the operator of the Vales Point Power Station, has today advised the Federal Government that it will not be submitting a funding application for the proposed efficiency upgrade to one of the Vales Point turbines under the Underwriting New Generation Investment (UNGI) program.

Delta initially submitted an expression of interest for efficiency related projects under the Underwriting New Generation Investment (UNGI) program in early 2019. Despite funding being identified in the Federal Budget, a formal grant application and evaluation is still required. Delta understands that a final decision is unlikely until early 2021.

Managing Director, Greg Everett, confirmed that while the turbine upgrade project was scheduled for late 2022, contracts needed to be placed now given the size and complexity of the project.

‘Unfortunately, the timing of the UNGI funding application process and the placement of contracts do not align’ Mr Everett said. ‘Given the forward market outlook, the nominal closure of Vales Point in 2029 and proposed changes to electricity industry policy settings, the project is not economically viable without certainty around the UNGI funding’.

‘Despite misinformation put forward by anti-coal groups, the upgrade to one of the Vales Point turbines had the potential to bring additional dispatchable generation into the grid while significantly reducing CO2 emissions’ he said, ‘This project was about enhancing energy security while providing an overall reduction in carbon emissions.’

Delta has already committed to and will install the same upgrade to its other Vales Point unit in April 2021.

For further enquiries, contact Steve Gurney, Company Secretary on 02 43 526 003 or 0438 229 043.

END

14 December 2020