

NEW POWER STATION FOR THE CARNARVON COMMUNITY

Horizon Power is embarking on a \$73 million project to build, own and operate a new dual-fuel power station and transmission infrastructure at a new site to serve the growing needs of the Carnarvon community. The project represents a significant investment by the Government of Western Australia into power infrastructure in the Gascoyne region.

The project

Work will soon commence on Carnarvon's new state of the art flagship power station. The new station will comprise an improved dual-fuel system, using both diesel and gas generating technology to help ensure security of the town's power supply and allow for the town's future power needs.

The first stage of the new power station is on track for completion in early 2012 and a gradual transition to the new power station will then begin.

Location of Mungullah Power Station

Carnarvon's new power station will be located 6.5 kilometres away from the town centre, on North West Coastal Highway,

north of the intersection of HMAS Sydney II Memorial Drive. The site is at Brown Range.

Horizon Power has worked alongside the traditional owners and custodians of the area, the Yinggarda People, and the State Government to acquire the land which will become the new power station site. We will continue to work closely with the Yinggarda People throughout construction of the power station.

The Yinggarda People have given the name for the power station as part of an agreement with Horizon Power. Mungullah is the Aboriginal name in the Yinggarda language for the hill on which the power station is located.



The construction phases

Site works will begin in March 2011 prior to the main mechanical and electrical works commencing in April 2011.

Horizon Power's project partners will then begin transporting equipment into the area, ready for construction to commence.

In early 2012, the diesel generating plant is due to be commissioned. This will signal the opening of the new power station site, which means it will begin powering the town in conjunction with the existing Carnarvon Power Station.

The second phase of construction will involve the installation of the gas generating plant, scheduled for 2012.

As power will be generated from both the existing and new power station sites for a period of time, some trenching will be necessary to install underground express feeder cables which will connect the two power stations.

Specifications

Carnarvon's new power station will:

- have a maximum generating capacity of 18MW;
- generate electricity from diesel and natural gas resources;
- require an extension of the existing Dampier to Bunbury Natural Gas Pipeline;
- have two high-voltage switch boards including a control room;
- have two step-up transformers;
- be connected to the Iles Rd substation through an express feeder;
- have fire fighting and water storage facilities;
- have a diesel fuel, lube oil and waste transfer and storage facility;
- be capable of adding renewable energy generation sources in the future;
- be capable of being remotely operated; and
- include a helipad and accommodation for use in extreme weather conditions.

Proposed project timeline*

March 2011

Site works commence

Mid 2011

The underground dual 22kV express feeders will be installed

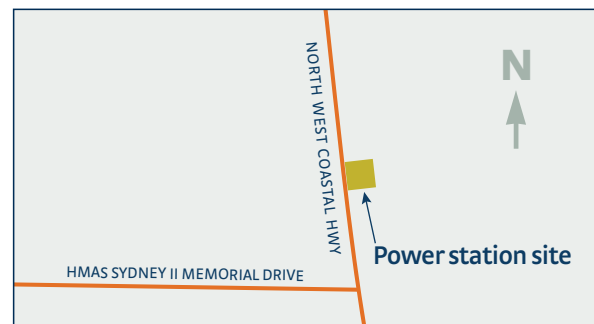
Early 2012

First phase of generating plant installed and power station becomes operational

Early to mid 2012

Second phase of the gas generating plant installed

*Subject to change as project progresses



Location of Mungullah Power Station

Fast facts

The new power stations will:

- meet the Carnarvon community's future electricity requirements;
- incorporate diesel and gas generating technology, increasing security and efficiency of power supplies;
- be significantly quieter than the current power station;
- reduce greenhouse gas emissions from power generation, when compared to the existing power station; and
- allow for the addition of renewable energy expansion in the future.



Keeping the Carnarvon community informed

Horizon Power is committed to keeping the local community and other stakeholders informed about this project as the work progresses.

Questions and answers

What are the benefits of building a new power station?

The new state of the art flagship power station will be more efficient and environmentally-friendly than the existing power station and will meet Carnarvon's future power needs.

The new station will also be significantly quieter than the current power station, which has been operating since 1972.

When will construction start and when will the station be operational?

Construction will start in early 2011. It is expected that power will be generated from the new power station in early 2012.

How much will this project cost?

The project is funded by the State Government and will cost \$73 million. This includes the new power station and new infrastructure including express feeders and the Dampier to Bunbury Natural Gas Pipeline extensions. Horizon Power will build, own and operate the new power station.

Why is there going to be a phased transition to the new site?

A phased transition to a new power station site allows staged funding to be invested into new plant that incorporates new technology, while maximum value is attained from plant at the existing power station site. It also allows for a back-up power supply and smoother transition.

What are the benefits of the new site?

The new site has been chosen because of its distance from residential areas, which will reduce noise levels for Carnarvon residents. It is also close to the Dampier to Bunbury Pipeline, a fuel source for the power station.

The site is also near land that is suitable for renewable energy generation. Feasibility studies are being conducted for the possible incorporation of renewable generation in the future and the station is being designed to allow for this.

What is a dual-fuel power station and what are its advantages?

A dual-fuel power station involves the use of more than one type of fuel to generate electricity

Having a power station that incorporates both diesel and gas-fuelled plant means Horizon Power is not completely reliant on one type of fuel for generating power for the community. This increases the level of security of the town's power supplies.



Horizon Power supply areas



For further information

If you would like further information about this project please contact Horizon Power's Community and Customer Relations Manager, Dave Shelton, on 9941 6299.

About Horizon Power

Horizon Power is an electricity generator, network operator and retailer that is sharply focused and dedicated to servicing the needs of customers in regional Western Australia; from remote and isolated communities to some of the biggest resource companies in Australia. Horizon Power services an area of 2.3 million square kilometres and strives to provide viable and leading-edge energy solutions that are focused on the long-term needs of communities. For more information on Horizon Power, visit www.horizonpower.com.au

