

Loy Yang B Turbine Retrofit Project

GENERATION

If the proposed turbines are more efficient why might coal usage increase?

The new turbine design will allow additional electrical output for the same given steam flow, therefore resulting in an efficiency improvement. Utilising the spare steam producing capacity within the current boiler will result in an increase in coal throughput. The current boiler efficiency will remain unchanged but improvement will be achieved from the new design of the proposed turbines.

There is an oversupply of generation capacity; why would Loy Yang B want to increase generation?

While presently there is excess generation in the National Electricity Market, this project is forward-looking and is anticipating future market requirements. A reliable source of baseload electricity is required to complement renewable energy. This project would assist Loy Yang B in providing secure and reliable baseload electricity via the National Electricity Market to households and businesses for up to the next 30 years.

Will there be health impacts as a result of the project?

An independent specialist completed an air quality impact assessment which confirmed that the project will not exceed ambient air quality objectives, as set within the EPA's State Environment Protection Policy. The objectives of this policy include the protection of the health and wellbeing of humans, animals and vegetation.

Are additional Sulphur Dioxide control measures required?

Loy Yang B consistently operates well below licence limits for sulphur dioxide largely because:

- *Latrobe Valley brown coal has sulphur levels that are low relative to other coal types both in Australia and abroad;*
- *Loy Yang B already uses equipment that continuously monitors sulphur dioxide emissions; and*
- *Loy Yang B has effective operational protocols in place.*

Sulphur dioxide levels typically attributed to the emissions from power stations across the Latrobe Valley consistently meet the requirements of the EPA's State Environment Protection Policy at the EPA ambient air quality monitoring compliance station located in Traralgon.

This information is available on the EPA AirWatch webpage via <http://www.epa.vic.gov.au/our-work/monitoring-theenvironment/epa-airwatch>

What are the next steps for this project?

Loy Yang B understands the community is interested in our operations in the Latrobe Valley. ENGIE in Australia is committed to actively engaging with the local community to ensure everyone is aware of the potential scope of works planned. It will continue to work with regulators and interested community members to engage and consult on the potential project as it evolves.



LOY YANG B POWER STATION

GREENHOUSE

Will this project increase carbon emissions?

Loy Yang B carbon emissions are dependent upon the amount of generation dispatched into the National Electricity Market. While the project will allow for an increase in generation, this may not eventuate if market conditions do not support increased Loy Yang B generation. Nevertheless, if the market dispatches Loy Yang B at a level greater than is currently the case then there will be an increase in carbon emissions during that period.

Have any other Greenhouse Intensity improvements been considered, i.e., coal drying / carbon capture?

A coal drying feasibility study has been completed. With current technology, this would not be a cost effective strategy.

Carbon capture has not been trialled at Loy Yang B to date. ENGIE has carbon capture installed within its global portfolio, however this is still a developing technology.

Why not invest the costs of this project into renewables?

While much has been made of ENGIE moving into the renewables sector, the company recognises Australia's need for maintaining a secure and reliable baseload electricity supply.

ENGIE already makes a significant contribution to renewables. Some of these projects include:

Canunda Wind Farm in South Australia, which has 23 turbines capable of generating enough power to provide the energy needs of approximately 30,000 homes.

SOCIAL

Will there be any jobs created by the implementation of this project?

Major outage events, like this project, require significant supplementary contract labour. The operation of the new design turbines will neither create jobs nor lead to job losses. The project would see the station through to the end of its life and hence support current local jobs.

Will there be an impact on electricity supply during the outages?

Currently, baseload generators regularly need to shut down for maintenance outages. This is managed by the Australian Electricity Market Operator (AEMO), ensuring that supply is unaffected.

Will my power bill go up as a result of this project?

No, your power bill will be unaffected by this project.

What are the benefits to the community?

This project will help secure Loy Yang B as a reliable, efficient baseload brown coal generator with the lowest greenhouse intensity in the Latrobe Valley while preserving local jobs. This also assists Loy Yang B in continuing to support the community via our ENGIE Corporate Social Responsibility Program, provide training to apprentices and post-graduate students, host school education tours and support local environment programs.

Why are you engaging with the community?

This is the most significant project being undertaken since the plant began operating in 1993. Loy Yang B is committed to actively engaging with the local community in which it operates because its people are an integral part of those communities. It is important that Loy Yang B engages with the community to receive feedback regarding our operations. This process forms part of our Works Approval application to the EPA.

