

Wellington Times

Wellington's gas fired power station canned

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Executives from ERM Power came to Wellington on Friday and told the mayor and acting general manager the Gas Fired Power station and the pipeline from Young to the town had been canned.

"The news was disappointing but not unexpected," Wellington's mayor Cr Rod Buhr said.

"ERM is drawing a line under the process and finishing it instead of dragging it out.

"It gives us certainty and we can now draw our attention to other projects."

The site of the gas fired power station had been the centre of a controversial war between residents and ERM.

In the last few months community delegations went to the Uranquinty power station near Wagga and the Oakey gas fired power complex in Queensland.

Community members believed the site would turn Wellington into a noisy industrial wasteland.

Wellington Council after initially supporting the project in 2006 then told the NSW Planning department it was against the site and wanted ERM to move it.

The NSW Planning and Assessment Commission had set up a public hearing on August 31 for the community to air its views on a modification of turbines at the site that has now been cancelled.

ERM said the project was abandoned because it wasn't economically viable anymore.

Years of negotiations with farmers from Young to Wellington over a proposed gas pipeline are now over.

The purchase or lease of local property won't go ahead and the many jobs it said would come from it have been powered off.

ERM's Executive General Manager Generation, Gas and Metering, Derek McKay, said ERM Power's Board and executive management had decided to cease material activity on its generation development projects.

"This means the construction of the Wellington gas-fired power station and Young to Wellington gas pipeline will no longer proceed. This decision has not been an easy one and ERM Power acknowledges the cooperation, professionalism and patience of the Wellington Council and other key stakeholders over the many years since the project's inception," Mr McKay said.

"The project was initiated in 2006 in response to the NSW government's concerns of an imminent electricity supply shortage, and considerable investment has been made since that time by ERM Power as its development application and planning proceeded.

"Unfortunately, over that period energy demand has declined in the National Electricity Market (NEM) and continues to fall, with a corresponding surplus in generation capacity. Additionally, renewable generation coming into service as a result of the Renewable Energy Target means that further investment is not warranted and the outlook for the structure of the industry, including continued advances in energy efficiency and disruptive technologies, does not support the completion of this project.

"It is also important to acknowledge that enduring government policy is critical to ensure long term investment certainty, in any industry. The current policy environment is changeable and does not support the economic viability of generation development in the electricity sector."

ERM Power had ceased activity on the Wellington project, would withdraw its modification application currently being assessed by the Department of Planning and Environment, surrender the Development Approval for the Wellington gas fired power station project and move to terminate related project agreements. This includes any arrangements to acquire the power station site or adjoining properties.

ERM Power will also withdraw its application for a Pipeline Licence for the Young to Wellington gas pipeline, surrender the pipeline's environmental approval and terminate related easement option agreements. ERM Power is Australia's most significant and successful developer of gas-fired power stations that have not only provided major benefits to regional communities but also helped to establish a secure and reliable electricity supply.

The \$1billion Wellington power station and related gas pipeline was to be ERM Power's seventh major gas-fired power station development and would have provided significant employment and service opportunities for local communities.

Read the original article at <http://www.wellingtontimes.com.au/story/3299177/gas-fired-power-station-canned/>