



Minister for Resources and Energy, Minister for Tourism

Multi-Million Dollar Clean Energy Investment for WA

11 June 2011

The Australian Government has selected the Collie South West Hub project for funding under the \$1.68 billion Carbon Capture and Storage Flagships Program.

The Commonwealth will provide up to \$52 million in funding for the first key phase of the project development, the completion of a detailed storage viability study.

The total capital cost of the Collie South West Hub CCS project is forecast at around \$1 billion.

Should this first phase of the Collie project be successful the Government anticipates contributing up to one third, potentially \$333 million of the funding required to develop the project with the aim of leveraging over \$660 million in industry and state government funding in total.

Announcing the funding in Perth today the Minister for Resources and Energy, Martin Ferguson AM MP said this major investment in clean energy technology was an important part of the Government's strategy to transition to a low emissions economy.

"To achieve a significant reduction in emissions we need to take action on a number of fronts," Minister Ferguson said.

"The Renewable Energy Target and a price on carbon will drive investment in renewable energy but direct Government investment is also needed to help industry make the breakthroughs needed to see new technologies deployed at scale.

"Through our \$5 billion Clean Energy Initiative the Government is testing a broad range of clean and renewable energy options.

"Carbon capture and storage (CCS) has the potential to significantly reduce emissions across a variety of applications, for example in industry and power generation.

"Today's announcement is the first step in a staged approach we are taking to support CCS technology.

"The Collie project will be a world leading commercial scale carbon capture and storage (CCS) demonstration project.

"With the CCS Flagships program and the Global CCS Institute, the Australian Government is putting Australia at the forefront of carbon capture technology development."

The storage study involves the Western Australian Department of Minerals and Petroleum carrying out further seismic analysis of the Lower Lesueur storage site to be followed up by appropriate onsite drilling to determine the validity and viability of the CO₂ seal. An extended community consultation program will accompany development of Collie Hub to ensure that local communities are kept informed and provided with opportunities to input into the final outcome.

The project south west of Perth was recommended after extensive evaluation by the CCS Flagships Independent Assessment Panel and aims to initially capture up to 2.4 mega tonnes of CO₂ a year from surrounding industry including coal-fired power plants.

In real terms that is the equivalent of the annual emissions released from approximately 454,000 passenger vehicles, or annual CO₂ emissions from approximately 178,000 households.

The Hub is near potentially suitable storage sites and the industrial centres of Kwinana and Collie.

The Government will continue to progress other CCS projects, including Victoria's CarbonNet project and Queensland's Wandoan project, to maximise the potential to deliver a fully-integrated project by 2020. This includes continuing negotiations with the Victorian and Queensland Governments to progress a range of technologies on different coal types as well as the development of CO₂ storage reservoirs near emissions-intensive power stations and industry in Victoria's Latrobe Valley and South East Queensland.

National CO₂ Infrastructure Plan

To complement the work undertaken as part of the CCS Flagships program the Government is allocating \$60.9 million in funding for a new National CO₂ Infrastructure Plan to find suitable sites to store captured carbon dioxide and speed up the development of transport and storage infrastructure near the sources of major energy and production emissions

Under the plan, offshore and onshore data will help to identify suitable basins within New South Wales, Victoria and Western Australia.

The plan includes a national CO2 drilling rig deployment strategy to make the most efficient use of rigs. It will also assess infrastructure needs and lay the groundwork for the safe handling of CO2.

"Finding space to store carbon dioxide – and then making these sites accessible – is vital," Minister Ferguson said.

"Without it, we cannot make the most of the Australian Government's programs to capture and store emissions from industry."

The plan reflects the advice from the Carbon Storage Taskforce and the National CCS Council and builds on work funded under the National Low Emissions Coal Initiative.

Further information on the Government's clean energy programs is available at www.ret.gov.au

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