

## QUESTION ON NOTICE

No. 657

asked on Wednesday, 30 April 2008

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**MR FENLON** ASKED THE MINISTER FOR MINES AND ENERGY (MR WILSON)—

QUESTION:

As the State Government has embraced low-carbon energy production and clean coal technologies by implementing three demonstration projects of national and international significance –

Would the Minister provide an update on the progress on ZeroGen, the CS Energy Oxyfuel Project and the Fairview Power Project?

ANSWER:

I thank the Member for his question.

Coal mining and the resources boom has delivered enormous economic benefits to Queensland and is a magnet for jobs and job security.

But we need to strike the right balance between the need to protect the environment and the jobs of the 17,600 men and women who work in the coal industry.

The Queensland Government is working with industry and research organisations to develop a range of clean coal technologies to reduce greenhouse emissions.

With reference to the progress on the ZeroGen project I have been advised by my Department that:

- (1) The project was recently reconfigured to a two-stage project to better address the objectives of accelerating deployment of clean coal technology to achieve deep cuts in greenhouse gas emissions.
- (2) Stage One of the ZeroGen project involves an 80 megawatt (MW) net coal IGCC with carbon capture and storage.
- (3) Stage One will be located at the Stanwell power station and, subject to the feasibility study and ZeroGen achieving funding milestones, will be a world-first base load electricity demonstration plant that integrates a coal gasification power plant with the capture and storage of carbon dioxide emissions, by approximately the end of 2012.
- (4) The feasibility study for the Stage One Project is due for completion at approximately the end of 2009.
- (5) Planning for Stage Two of the proposed project will occur concurrently with Stage One and will involve deployment of a large-scale coal gasification plant with carbon capture and storage facilities. Depending on further development work Stage Two is expected to have a net output approaching 300MW.

- (6) The location of the Stage Two project will be dependent on the outcomes of the feasibility study.

With reference to the progress on the CS Energy Oxyfuel project I have been advised by my Department that:

- (7) The project is currently on track with the help of the Queensland Government's \$10 million commitment.
- (8) In addition, the Commonwealth Funding Deed and the Australian Coal Association Funding agreements were signed in March this year.
- (9) All agreements associated with the establishment of the joint venture were executed in March 2008 and are now subject only to approval from the Foreign Investment Review Board (FIRB) for the overseas participants (Mitsui, IHI, JPower, Xstrata and Schlumberger).
- (10) Plant supply contracts are in their final stages of negotiation and plant refurbishment works should begin on the ground at Callide by September this year.

With reference to the progress on the Fairview project I have been advised by my Department that:

- (11) The Fairview Power Pty Ltd project, to construct a 100MW combined cycle gas turbine power plant fuelled by coal seam methane, is continuing to negotiate commercial arrangements to develop the project.
- (12) The project aims to demonstrate the post combustion capture of carbon dioxide from gas turbine plant and the capacity for long term storage of the carbon dioxide in coal seam methane fields.
- (13) Presently, Fairview Power Pty Ltd is a jointly owned company of Santos (50 per cent) and GE Energy (50 per cent).