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For immediate release

Media release

Dungowan pumped hydro energy storage project to contribute more than \$2.5billion into the NSW economy

Economic impact assessment for long duration energy storage project in the Dungowan valley in New England region of NSW confirms it will create significant employment during construction and operations.

Walcha Energy today announced that results of a comprehensive third party economic impact assessment study for its 300MW pumped hydro energy storage under development in the Dungowan Valley in the New England region of NSW (Dungowan PHES). The study was undertaken by leading Australian economic consultancy ACIL Allen.

The report demonstrates that the Dungowan PHES can deliver significant economic benefits to New South Wales and the local and regional communities. Highlights of the report include:

- Dungowan PHES will spend over \$580 million over 5 years to construct the first 300MW (10 hour operation) phases with the majority of the construction expenditure occurring in New South Wales and the New England region.
- Locally, the project is expected to generate 500 full time jobs on average during the 5 year construction period. It is anticipated that many of these workers will be residents of the New England and Upper Hunter regions.
- An additional \$2.5 billion in gross product or \$57 million per annum is forecast to be generated in NSW with the vast majority in the local region.
- During the 50+ year project life, around 85% of all operational expenditure will be spent in the local region (equivalent to a total of \$8.5m per annum).
- The project will support significant enduring local employment opportunities with 35 FTE jobs directly and a total impact of 58FTE jobs in the local region.
- ACIL Allen's market modelling suggests a real income boost of approximately \$150 a year per resident of the local region.
- The potential to add an additional phases of up to 700MW (and potentially up to 24 hours operation) in the future is not taken into account in these figures.

Dungowan PHES is strategically at the southern end of the New England renewable energy zone declared by the NSW Government under its Electricity Infrastructure Roadmap REZ.

Mark Waring, director of Walcha Energy commented "Dungowan is regarded as an exceptional location for a large scale long duration PHES project. The factors which make it such a compelling project include:

- it is located close to proposed new transmission lines for the New England REZ and there is also the option of connecting to Tamworth sub-station which will help firm the renewable energy flowing from the existing lines to the north and the west;
- Dungowan PHES has a high level of buildability with existing road access to the upper and lower reservoirs;
- a high head to penstock ratio (which is a key factor in the cost competitiveness of pumped hydro); and
- ability to expand the project in the future with additional upper and lower reservoirs."

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Together with our partners and advisers we have undertaken a cost analysis which compares Dungowan PHES against other known proposed pumped hydro projects in NSW. The cost curve analysis set out above shows that the Dungowan Pumped Hydro Project compares very favourably with these projects."

Dungowan Dam has been supported by the NSW Government through a grant under its Emerging Energy Program to complete pre-investment feasibility studies. GE is the technical partner for the project under a joint development agreement.

“As co-development partners, we are excited to see the great progress being made on the Dungowan pumped hydro project and pleased to see the results of this independent analysis. It validates the view we had of the project right from the beginning. Dungowan is one of the best pumped hydro opportunities in Australia and proves that with hydropower we can not only significantly advance the energy transition in Australia but also create significant added value for the economic development of the region, the state and the country.” said Pascal Radue, President and CEO of GE Renewable Energy's Hydro division.

Simon Currie, director of Walcha Energy, noted “The results of the ACIL Allen study are very encouraging and underline the significance of building large scale long life infrastructure such as Dungowan PHES to support the New England REZ. Walcha Energy has the ability to offer dispatchable energy to NSW consumers and large energy users through our portfolio of wind and solar backed up by batteries and pumped hydro. We strongly support the accelerated build-out of transmission infrastructure for the NSW Renewable Energy Zones which will enable retirement of coal-fired power stations and help NSW on its journey to become a renewables superpower”.

To read a copy of the ACIL Allen report and learn more about the Dungowan PHES project, visit: [www.
https://www.dungowanpumpedhydro.com/](https://www.dungowanpumpedhydro.com/)

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About Walcha Energy



Walcha Energy is a partnership between MirusWind and Energy Estate to develop over 4,000MW of wind, solar, battery storage and pumped storage hydro in the New England REZ. The Walcha Energy Project is the largest single renewable energy project being developed in the NEM.

The project is situated around the town of Walcha, located approximately 55km south of Armidale on the New England Tableland, in New South Wales, Australia.

For more information please visit: <http://www.walchaenergy.com/>