



## MEDIA RELEASE

### AUSTRALIA'S FIRST THERMAL WASTE-TO-ENERGY FACILITY REACHES FINANCIAL CLOSE, CONSTRUCTION TO COMMENCE THIS MONTH

#### Key points

- 400,000 tonnes of household, commercial, and industrial waste to be diverted from Western Australian landfill per year, equivalent to one quarter of Perth's post-recycling rubbish
- Consequent reduction of 400,000 tonnes of CO<sub>2</sub> emissions per year, equivalent to taking 85,000 cars off the road
- 36MW of reliable baseload energy to be exported to the grid, equivalent to the electricity needs for more than 50,000 households
- Strong support from the Australian and Western Australian Governments through funding and leasing agreements
- Long-term waste supply agreements already in place with a number of local councils allowing for an affordable and sustainable solution for the disposal of household waste
- More than 800 jobs, including apprenticeships, to be created in Western Australia during construction and 60 full-time positions once operational
- Project has been co-developed by Macquarie Capital and Phoenix Energy, with co-investment by Dutch Infrastructure Fund

**18 October 2018** – Financial close has today been reached on Australia's first thermal waste-to-energy facility in Kwinana, Western Australia. Construction of the facility, which has been co-developed by Macquarie Capital and Phoenix Energy Australia (Phoenix Energy), will commence this month and is scheduled to open by the end of 2021.

The facility will divert 400,000 tonnes of household, commercial, and industrial waste from landfill each year which represents a quarter of Perth's post-recycling rubbish. The facility will use the residual waste to generate energy, recover and recycle metals, and re-use the remaining ash residue as construction materials.

Once operational, the facility will result in an overall reduction of carbon dioxide emissions of more than 400,000 tonnes per year, the equivalent of taking 85,000 cars off the road. The facility will also export 36MW of electricity to the local grid per year, sufficient to power more than 50,000 households.

Macquarie Capital and Dutch Infrastructure Fund (DIF) will provide \$A275 million of equity finance, and Macquarie Capital will also continue to be responsible for delivery of the facility. A group of financial institutions and the Clean Energy Finance Corporation (CEFC) will provide \$A400 million debt finance for the facility. The CEFC will commit up to \$90 million. The Australian Government's Renewable Energy Agency, ARENA, will provide a grant of \$A23 million.

The facility will be located in the Kwinana Industrial Area, 40 kilometres south of Perth. Support from the Western Australian Government includes the provision of the land for the facility through a long-term lease from its land and development agency, LandCorp.

Acciona has been appointed to design and construct the facility, and a 25-year operations and maintenance service agreement has been signed with Veolia. Veolia currently operates more than 60 waste-to-energy facilities around the world.

With increasing pressure on landfill capacity, and concerted community efforts to reduce landfill levels, waste-to-energy represents a significant opportunity for the generation of affordable green power. The Kwinana facility will use Keppel Seghers moving grate technology, which thermally treats the waste and converts the recovered energy into steam to produce electricity. Metallic materials will be recovered and recycled, while other by-products will be reused as construction materials. Moving grate technology is used in approximately 2,000 facilities globally, with Keppel Seghers providing its technology to more than 100 waste-to-energy plants in 18 countries.

During the construction phase, more than 800 jobs will be created including apprenticeships and a range of sub-contracting and supply opportunities for local businesses. Approximately 60 full-time positions will be created once the facility is operational.

The project is supported by 20-year waste supply agreements with Rivers Regional Council, which represents seven Local Government Authorities, and the City of Kwinana. The project also has a five-year waste supply agreement with Veolia.

The Western Australia Local Government Association (WALGA) has appointed the Kwinana Waste to Energy facility as a preferred supplier of baseload renewable energy, representing a reliable source of baseload power to WALGA members.

Macquarie Capital Executive Director, Chris Voyce, said: "This project supports Perth communities by providing a practical, long-term solution for waste management. We are pleased to have contributed our global infrastructure and renewable energy expertise.

"Our support for the creation of lower carbon-intensive energy sources is underscored by the expansion of our participation in this project over the past three years; we originally came on board as a financial adviser and have since taken on the responsibilities of co-developer and investor."

Phoenix Energy Managing Director, Peter Dyson, said: "This project has been several years in the making and undergone an appropriately rigorous approvals process. I am delighted that the project has met all requirements and we can now move to delivering a first for Australia: an energy source that is one of the cleanest in the world."

Managing Director of DIF Australia, Marko Kremer, added: "DIF is excited to be involved in the first thermal waste-to-energy project in Australia and look forward to continue our contribution to the sector going forward.

"European countries have long embraced the conversion of waste into energy and it has proven to deliver multiple benefits in terms of managing waste and contributing to sustainable and secure energy supply."

Newly-appointed CEO for the project, Frank Smith, said: “This project is an example of the private and government sectors coming together to resolve community issues, in this instance dealing with ever-growing demands on landfill and generating reliable baseload renewable energy to Australia’s overall energy mix.

“As we progress through construction and into operations, we remain committed to engaging with the local community, building on the dialogue that has already been established through the early stages of the project.”

Contractual terms remain confidential. The facility has received all the necessary environmental and development approvals to commence construction.

### **Media contacts**

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