

US giant APR Energy wins South Australia power plant bid



The Holden car assembly plant in Adelaide's north will be one of the sites for a new power plant to be supplied by APR Energy. **Nicolas Walker**

by **Simon Evans**

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US firm APR Energy says it will be able to provide critical electricity grid stability to South Australia by December 1 after being chosen to supply a two-step fix for a fragile power grid with a new fast-start power plant initially powered by diesel fuel for the first two years.

South Australian Premier Jay Weatherill announced on Tuesday the state government would buy nine new GE TM2500 aero-derivative turbines through APR Energy to deliver up to 276 megawatts of generation to the grid should extra power be needed.

The individual turbines are transported on large trailers and will initially be installed at two sites in suburban Adelaide. One of them is the Holden car plant in the northern suburbs of Adelaide which is scheduled to close on October 20 when decades of car manufacturing will end. The other is at Lonsdale in the southern suburbs where a \$1.8 billion desalination plant sits idle after being built in 2011 following a severe drought where the South Australian Government imposed water restrictions.

The hybrid turbines will then shift to an un-named separate permanent location where they will run on gas. The South Australian Government had been investigating the use of temporary diesel-powered generators to help bolster its grid for this summer while a \$360 million fast-start power station was constructed, but the two separate plans have now morphed into the one solution. But it is a fix-it plan heavy with irony because the new plant requires the use of diesel

fuel for the first two years, and is being overseen by a state government which has trumpeted itself as a leader in renewable energy.

The announcement comes three weeks after [Mr Weatherill announced that Elon Musk's Tesla](#) and French wind farm developer Neoen had won a landmark tender to supply a 100-megawatt battery to strengthen South Australia's electricity grid. The battery project is the largest of its type in the world and will be constructed near Jamestown, in South Australia's mid-north.

Both the fast-start power plant and the large storage battery are important planks of the South Australian government's controversial [\\$550 million energy security plan](#) announced in March following a string of blackouts, power shortages and sharp jumps in electricity prices after South Australia aggressively pursued wind and solar energy projects faster than any other state.

Mr Weatherill said on Tuesday the 276MW of new generation should remove one of the major risks to the electricity system before this summer and prevent the likelihood of power blackouts.

"This should remove one of the key risks which is reserve shortfalls," Mr Weatherill told reporters.

He said the power plant will be tested monthly, but extra electricity will only be fed into the power grid if there is a shortfall in supply.

APR Energy chairman John Campion said the plants should provide critical grid stability before December 1, 2017. He said ensuring the state had the extra power quickly "will play an important role in mitigating the risk of blackouts and the need for load shedding during the peak summer months".

APR Energy specialises in providing large-scale power generation in short timeframes and has delivered plants to bolster electricity systems across Africa, Asia and Central America, as well as in its home market of the United States. It operates in 30 countries and the South Australian contract marks its third energy project in Australia, the first two being for Horizon Power and Hydro Tasmania.

Mr Weatherill said APR Energy won a competitive tendering process which had been run by SA Power Networks, and the power plant would have a lifespan of 25 years.

The South Australian government had been pursuing the use of temporary diesel-powered back-up generators for this summer but Mr Weatherill said it had emerged during the process that many of the bidders for a permanent fast-start power station were the same as those who were able to offer a temporary solution.

He said the advantage of using the two sites first up was that the extra power would be in place quickly, without the need for transmission and gas connections into the grid.

"It can be done quickly," Mr Weatherill said. The cost was also below the previously outlined \$360 million. "We've ended up getting a better price than that," he said.

GE Australia chief executive Geoff Culbert said on Tuesday that the GE TM2500 units were essentially "a power plant on wheels".

He said they would provide "unrivalled flexibility to support the needs of the South Australian electricity grid and then seamlessly transition to deliver capacity over the long term".

Mr Culbert said the trailer-mounted TM2500 units could be transported by land, sea or air and had the capability to generate electricity using gas or diesel fuel. He said there were currently 200 of the TM2500 units operating globally.