MEDIA RELEASE

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Mackay Sugar’s ‘green’ projects gain boost from Government

Mackay Sugar was today offered a $9.1 million Government grant for its Cogeneration Efficiency Project, which will assist the company to increase its energy efficiency and renewable electricity generation and reduce its coal consumption and carbon emissions.

The funding will be provided under the Commonwealth Government’s Clean Technology Food and Foundries Investment Program (CTFFIP), as part of the Clean Energy Future plan that offers energy intensive businesses financial assistance to deliver energy efficiency and carbon reduction projects.

Mackay Sugar Chief Executive Officer Quinton Hildebrand said the Government’s support would significantly boost the company’s mission to shift away from coal power and become more efficient with its renewable energy sources made from sugarcane.

“Mackay Sugar is nearing the commissioning phase of its $120 million renewable Cogeneration Plant at Racecourse Mill, which will produce enough electricity to meet about 30 per cent of the Mackay district’s electricity consumption each year, while also providing energy to the mill and Racecourse Refinery.

“While the Racecourse Cogeneration Plant will predominantly use renewable bagasse fuel (the fibre remaining after milling sugarcane), a considerable quantity of coal is needed during the non-crushing period. The carbon emissions from this coal consumption have resulted in Mackay Sugar being a liable entity under the Carbon Pricing Mechanism (CPM).

“To reduce our fuel costs and dependence on coal, Mackay Sugar developed the Cogeneration Efficiency Project, whereby Marian Mill’s No3 Boiler will be upgraded to improve its efficiency, allowing more surplus bagasse to be transported and burnt at Racecourse Mill.

“The goal is to reduce coal usage to a level where Mackay Sugar falls below the CPM liability threshold. The impact of the CPM, together with rising coal prices, will certainly drive changes in the way Mackay Sugar values and manages its bagasse resource, and the CTFFIP grant offer is a welcome incentive to support this innovative project,” Mr Hildebrand said.

Upgraded bagasse handling facilities are also included in the Project, and Marian Mill will benefit from improved plant reliability and the retirement of aging and inefficient steam generating plant.

Work is expected to commence in December, upon completion of this year’s crush, with the Project scheduled for completion ahead of next year’s crush (June 2013).

Mr Hildebrand said the Racecourse Cogeneration Project had provided an energy platform for Mackay Sugar to deliver further complementary energy efficiency projects.

“With the increasing demand for renewable energy and a global shift away from fossil fuels, our resources will enable us to increase stakeholder value and contribute to an environmentally sustainable future.”

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