



## GOVERNMENT OF GIBRALTAR

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## PRESS RELEASE

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### **“Government Awards Contract for the Construction of New Power Station and Related new Electricity Distribution Infrastructure”**

Following the conclusion of a lengthy EU process including site selection studies, EU tender procedures, the carrying out of an Environmental Impact Assessment Study and the resolution of a legal challenge by nearby residents of the selected site, the Government has now awarded the Contract for the construction of the New Power Station and related new electricity distribution infrastructure.

#### **Award of Contract**

The Contract has been awarded to a Joint Venture between **ETDE SA (A major power station contractor company subsidiary of French multi- national company Bouygues)** and **Dutch Civil Engineering Company Volker Stevin Construction Europe B.V.** in the sum of £122.8 Million. This is the largest single contract ever awarded by the Gibraltar Government.

#### **Description of Project**

The project, known as the Gibraltar Power System Expansion project, includes the following:

- The construction of a new diesel power station at the Lathbury Barracks Parade Ground to replace Gibraltar's three existing power stations, namely Waterport Power Station, the MOD Power Station and the OESCO Power Station.
- The new Power Station will initially contain eight Caterpillar Diesel Generating sets each of approximately 7.8 Mega Watts, providing a total installed capacity in 2013 of 62.4 Mega Watts.
- The Power Station building will provide room to add further engines in the future should Gibraltar's power needs expand further.

- A new fuel supply and storage facility and system
- A number of new electricity distribution centres
- New electricity transmission cabling to connect the New Power Station to existing and new electricity distribution centres
- A new supervisory control and data acquisition system (SCADA) to monitor and control the distribution system
- Workshops, warehousing and stores, administration building, guard house and perimeter fencing, site roads and parking areas

### **Environmental issues**

This project has been the subject of a very full and extensive Environmental Impact Assessment Study as required by EU rules which are fully reflected in Gibraltar laws. The power Station will thus be fully compliant with European Union Directive 96/61/EC and Regulations covering Integrated Pollution Prevention and Control.

The exhausts from the diesel engines will discharge via multi-flued stacks with a separate flue for each engine. The 50 metre stack height is optimised to ensure adequate dispersion of flue gases whilst minimising visual impact.

The engines will use Best Available Technology (BAT) in order to minimise the environmental impact arising from the exhaust emissions. This BAT includes selection of engines with high efficiency and thus minimised consumption of fossil fuel and thus production of carbon dioxide, use of low sulphur and low ash fuel to minimise levels of particulate emissions and Sulphur Dioxide, use of selective catalytic reduction equipment and engines with fuel injection and valve timing optimised to minimise Nitrogen dioxide emissions.

All fuel, oil and chemical tanks will be bunded to contain any leakage. Fuel to the power Station will be supplied via tanks and pipeline from the southern end of the harbour through pipes running through the rock's tunnel system.

### **The history of this process**

- 2007 : possible site evaluation surveys and site selection
- 2008: EU tender process – invitation to interested applicants to submit prequalification applications, and issue of tender documents to 4 out of the 8 pre qualified tenderers
- 2009: tenders received from 3 of the pre qualified tenderers. Environmental Impact Assessment Study carried out and EIA Certificate issued by DPC in November 2009
- 2010 (February to September): legal challenge by nearby residents to the EIA Certificate requiring the tender period with contractors to be extended. Legal dispute resolved in September 2010
- 2011: Tender awarded
- July 2013: completion of new Power Station

Commenting on the award of the tender Chief Minister Peter Caruana said:

“It has been a hugely complex process to get to this stage, but the new power station will ensure a modern and resilient electricity supply to Gibraltar well into the future in the most environmental friendly way that is practical and realistic. It represents a very large investment for our future prosperity as a community both in social and economic terms. This is not just about building a new power station. It is also about a major investment in new electricity distribution equipment and transmission cabling for a modern distribution network, and resilience of fuel supply for the power station.

The use of leading equipment and best available technology makes an important statement about our commitment as a community to the environment. The closure of Gibraltar’s three existing and ageing power stations will, by itself represent a major environmental gain.

This project for a new power Station is yet another major piece of the Government’s extensive investment programme to modernise Gibraltar’s infrastructure and public services and amenities to ensure our prosperity into the future. The new Power Station will be ready for summer 2013, and in the meantime the Government will continue to invest in temporary additional power generation to guard against interruption of power supply.”