



NSW GOVERNMENT
Department of Planning

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Mr Glenn Keevers
Macquarie Generation
34 Griffiths Road
LAMBTON NSW 2299

Our ref: S08/00496
Your ref:

Dear Mr Keevers

Proposed Coal Seam Methane Gas Pipeline (North-South Route), Liddell Power Station, Singleton and Muswellbrook Local Government Areas (Application Reference: 08_0061)

I refer to your submission of the project application and request for Director-General's requirements for the abovementioned proposal.

The Director-General's Environmental Assessment Requirements are attached, pursuant to section 75F(2) of the *Environmental Planning and Assessment Act 1979*. It should be noted that the Director-General's requirements have been prepared based on the information provided to date. Under section 75F(3) of the Act, the Director-General may alter or supplement these requirements if necessary and in light of any additional information that may be provided prior to the Proponent seeking approval for the project.

The Environmental Assessment should be prepared using valid and accepted technical and scientific tools and methodologies, focussing on key environmental impacts and robust mitigation measures to address potential impacts from the project. You should also ensure that you consult with the Department prior to submission of an Environmental Assessment to determine:

- fees applicable to the application;
- consultation and public exhibition arrangements that will apply; and
- number and format (hard-copy and/or CD-ROM) of the Environmental Assessments that will be required.

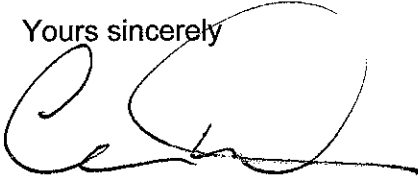
Once you have lodged the Environmental Assessment, the Department will consult with relevant authorities to determine the adequacy of the Environmental Assessment. Following this review period the Environmental Assessment will be made publicly available for a minimum period of 30 days.

If your proposal contains any actions that could have a significant impact on matters of National Environmental Significance, it will require an additional approval under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). This approval would be in addition to any approvals required under NSW legislation and it is your responsibility to contact the Commonwealth Department of the Environment, Heritage, Water and the Arts to determine if an approval under the EPBC Act is required for your proposal (02 6274 1111 or www.environment.gov.au).

Please note that the Commonwealth Government has accredited the NSW environmental assessment process for assessing impacts on matters of National Environmental Significance. As a result, if it is determined that an approval is required under the EPBC Act, please contact the Department immediately as supplementary Director-General's requirements will need to be issued.

You should keep the contact officer for this project, Keiran Thomas ((02) 9228 6325 or keiran.p.thomas@planning.nsw.gov.au), up to date with the progress of preparation of the Environmental Assessment, and seek clarification of any issues that may be unclear or may arise during this process.

Yours sincerely



S.F. &

Chris Wilson
Executive Director
As delegate for the Director-General

**PROPOSED COAL SEAM METHANE GAS PIPELINE (NORTH-SOUTH ROUTE),
SINGLETON AND MUSWELLBROOK LOCAL GOVERNMENT AREAS**

**ENVIRONMENTAL ASSESSMENT REQUIREMENTS UNDER PART 3A OF THE ENVIRONMENTAL
PLANNING AND ASSESSMENT ACT 1979**

Project	Construction and operation of a coal seam methane gas pipeline (north-south route) to the Liddell Power Station.
Site	Land within the Singleton and Muswellbrook local government areas.
Proponent	Macquarie Generation
Date of Issue	2 May 2008
Date of Expiration	2 May 2010
General Requirements	<p>The Environmental Assessment must be prepared to a high technical and scientific standard and must include:</p> <ul style="list-style-type: none"> • an executive summary; • a description of the proposal, including construction, operation, and staging; • an assessment of the environmental impacts of the project, with particular focus on the key assessment requirements specified below; • justification for undertaking the project with consideration of the benefits and impacts of the proposal; • a draft Statement of Commitments detailing measures for environmental mitigation, management and monitoring for the project; and • certification by the author of the Environmental Assessment that the information contained in the Assessment is neither false nor misleading.
Key Assessment Requirements	<p>The Environmental Assessment must include assessment of the following key issues:</p> <ul style="list-style-type: none"> • Strategic Justification - the Environmental Assessment must include a strategic planning consideration of the project and an analysis of the suitability of the gas pipeline route with respect to potential land use conflicts with existing and future surrounding land users. The Environmental Assessment must clearly identify the proposed route for the coal seam gas pipeline and clearly describe the ownership, land use and zoning provisions for the land along the route. Consideration must also be given to how the proposal would interact with any existing approvals or licences that may be in operation for any mines or power stations affected by the proposal. • Ecological Impacts - the Environmental Assessment must include a flora and fauna impact assessment in accordance with the DEC's <i>Guidelines for Threatened Species Assessment</i>. The Environmental Assessment must specifically identify and consider any critical habitats, threatened species, populations or ecological communities listed under State and Commonwealth legislation recorded along the gas pipeline route or in the surrounding area. This must include assessment of impacts on any Warkworth Sands Woodlands potentially affected by the proposal. The Environmental Assessment must also detail measures to avoid or mitigate impacts associated with the siting and construction of any access roads and other infrastructure. An assessment of the feasibility, effectiveness and reliability of proposed measures and any residual impacts after these measures have been implemented must be included. • Heritage Impacts - the Environmental Assessment must include an assessment of impacts on Aboriginal heritage, in accordance with draft <i>Guidelines for Aboriginal Cultural Heritage Impact Assessment and Community Consultation</i> (DEC, 2005). The Environmental Assessment must demonstrate that effective community consultation with Aboriginal communities has been undertaken in determining and assessing impacts, developing options and making final recommendations. The Environmental Assessment must detail measures to avoid or mitigate any impacts on any items of Aboriginal heritage identified. An assessment of the feasibility, effectiveness and reliability of proposed measures and any residual impacts after these measures have been implemented must be

	<p>included.</p> <ul style="list-style-type: none"> • Hazards and Risk Impacts – the Environmental Assessment must include a screening of potential hazards associated with the gas supply infrastructure to determine the potential for off site impacts and any requirement for a Preliminary Hazard Analysis (PHA). The PHA, should potential off-site impacts be identified, must be prepared in accordance with the Department's <i>Hazardous Industry Planning Advisory Paper No. 3, Hazardous Industry Planning Advisory Paper No. 6 and Multi-level Risk Assessment</i>. • Surface and Groundwater Impacts – the Environmental Assessment must include an assessment of the water quality impacts associated with the construction and operation of the proposal, with particular reference to impacts on aquatic ecology, riparian zones, surface water and groundwater impacts along the proposed route. The Environmental Assessment must identify all surface water bodies and watercourses that may be impacted by the project and give consideration to groundwater transmission zones within creek crossings. Detailed information must be provided which describes how those water bodies or watercourses would be traversed and what mitigation measures would be used to minimise any predicted impacts. Specific reference to how erosion and sedimentation would be managed during construction and operation of the project must also be included. Where mitigation or management measures have been proposed, an assessment of the feasibility, effectiveness and reliability of proposed measures and any residual impacts after these measures have been implemented must be included. • Traffic Impacts – the Environmental Assessment must include an assessment of the traffic impacts associated with the construction of the proposal, with particular reference to impacts on dedicated public roads. • General Environmental Risk Analysis – notwithstanding the above key assessment requirements, the Environmental Assessment must include an environmental risk analysis to identify potential environmental impacts associated with the project (construction and operation), proposed mitigation measures and potentially significant residual environmental impacts after the application of proposed mitigation measures. Where additional key environmental impacts are identified through this environmental risk analysis, an appropriately detailed impact assessment of these additional key environmental impacts must be included in the Environmental Assessment.
<p>Consultation Requirements</p>	<p>You must undertake an appropriate and justified level of consultation with the following parties during the preparation of the Environmental Assessment:</p> <ul style="list-style-type: none"> • NSW Department of Environment and Climate Change; • NSW Department of Water and Energy; • NSW Department of Primary Industries; • NSW Roads and Traffic Authority; • Commonwealth Department of Environment, Water, Heritage and the Arts; • Mine Subsidence Board; • Muswellbrook Shire Council; • Singleton Shire Council; and • the local community. <p>The Environmental Assessment must clearly indicate issues raised by stakeholders during consultation, and how those matters have been addressed in the Environmental Assessment.</p>