Illawarra Coal

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2 February 2011

Department of Environment, Climate Change and Water
PO Box 513
Wollongong NSW 2520
Attn: Greg Newman

Dear Greg

Request for further information – 1 February 2011
Appin Vent Shaft No 6 Project (00-0079)

Thank you for your email request dated 1 February 2011 seeking clarification on matters related to the Appin Vent Shaft No 6 Project. Illawarra Coal has considered the matters raised in your request and our response is provided in Appendix A.

The Environmental Assessment was on public exhibition between 19 October 2010 and 18 November 2010. Illawarra Coal provided the Department of Planning with a response to your submission on 17 December 2010. We request that any additional assessment be finalised so that the Department to Planning can progress the Project Approval as soon as possible.

If you have any queries please contact the undersigned.

Yours sincerely,

Bruce Blunden
Manager – Environmental Approvals

Appendix A

Air quality

1. The likelihood of encountering oil shale or other odorous material in mining areas serviced by the proposed VS#6 and;

- From your submission I understand you believe the sampling from the No 3 vent shaft to be representative of the anticipated No 6 vent shaft emissions.
- Can you please confirm?

Response:

Mine Ventilation Air (MVA) from Appin Area 7 is currently discharged at Appin No 3 Shaft. Appin Area 7 and Area 9 are adjacent domains and both are mining the Bulli Seam. Upon commissioning of the proposed Appin No 6 Shaft, MVA from Area 9 and Area 7 will be discharged to the atmosphere at Appin No 6 Shaft. Appin No 3 Shaft will be converted to an intake shaft. As such, we believe that the air impact assessment used in the Appin No 6 Shaft Environmental Assessment is representative of the nature and concentration of air emissions anticipated at Appin No 6 Shaft.

It is anticipated that odorous higher hydrocarbon fractions that may enter the MVA originate from overlying sandstone strata. During longwall extraction, fracturing of these strata can give rise to gas trapped in the sandstone entering the mine ventilation system. In order to minimise the volume of gas from overlying strata entering the MVA, a comprehensive program of both in seam and surface gas management (such as the Area 7 Goaf Drainage Project) are proposed to capture and utilise this gas before it enters the MVA. These gas management projects have significant benefits in terms of greenhouse gas abatement, mine productivity and underground safety.

2. Whether the odour assessment considered vent shaft air from oil shale or other odorous materials/worst case scenario.

- You advise you have assessed other hydrocarbons in the air quality assessment.
- However can you advise if the sampling of Vent shaft no 3 (on 18 June 2010) was undertaken during mining through oil shale and / or material with elevated oil content.

Response:

Other hydrocarbons were assessed in Section 7.1.3 of Appendix E of the Environmental Assessment. In this assessment, it was demonstrated that the concentration of higher hydrocarbons in MVA are several orders of magnitude less that the DECCW published air emission goals. This assessment was undertaken on the basis of gas analysis from MVA at Appin Area 7 sampled during 2010 and historic data from West Cliff Mine, both of which mine the Bulli Seam.

Odour data used in the Appin No 6 Shaft air impact assessment was from sampling undertaken at Appin No 3 Shaft on 18 June 2010. The odour concentrations measured at Appin No 3 Shaft on 18 June 20101 was 279 and 395 OU. These are the highest odour concentration data

measured from emissions from in the Bulli Seam available to Illawarra Coal, and as such, representative a conservative input to the air impact assessment. By way of contrast, an additional odour sample was taken from Appin No 3 Shaft on 23 December 2010. The odour concentrations measured at Appin No 3 Shaft on 23 December 2010 was 181 OU, or about half of the odour concentration used in the Appin No 6 Shaft air impact assessment.

Threatened Species

3. Measures to Offset Impacts on Cumberland Plain Woodland

- DECCW has requested (in an email dated 31 January 2011) complete Biobanking Assessment Methodology assessment information for both the development site and the offset site.
- Once received, DECCW will internally apply the Biobanking Assessment Methodology using the information provided to check the credit calculations.

Response:

The relevant Biobanking Assessment data was emailed to DECCW (Jen Byrne) on 2 February 2011.

The original calculations (which were included in the Appendix g of the Environmental Assessment) were based on assumed ecological parameters for the offset area and field verified Biobanking quadrat data for the impact site. The calculations were revised for the offset area after collecting Biobanking quadrat data in the offset area. The revised the offset area is now 8.67 ha. The larger area forms the basis of the final offset area and has been committed to by BHPBIC in the revised statement of commitments for the project.

4. Securing an Offset Site for Cumberland Plain Woodland

- DECCW offset principles require offsets to be managed under effective and secure long term management arrangements.
- While the Proponent has committed to the establishment of the offset as part of the Statement of Commitments, the EA states that 'Illawarra Coal does not support encumbrances on the land that may restrict its value or use at some future time.'
- The EA must identify preferred mechanisms and include a Statement of Commitments for in-perpetuity security for the offset site

Illawarra Coal has committed to an offset area of 8.67 ha Cumberland Plains Woodland to compensate for the temporary loss of 3.5 ha of low quality Cumberland Plains Woodland. As discussed in the Environmental Assessment, Appin No 6 Shaft is a temporary facility that will be rehabilitated in two stages, namely; post construction and after mining. The calculation of the offset area does not consider any rehabilitation of the Appin No 6 Shaft. As outlined in our Response to the DECCW Submission dated 17 December 2010, rehabilitation of the proposed Appin No 6 Shaft will be undertaken with Cumberland Plains Woodland species. Further, grazing will be excluded from the precinct around the proposed shaft to facilitate natural regeneration of the Cumberland Plains Woodland. Given the nature of the proposed offset and rehabilitation regime, the distribution and quality of Cumberland Plains Woodland on the

property is expected to be considerably improved as a result of this project. Give the commitment to undertake the offset and rehabilitation activities, and the temporary nature of the project, we do not consider that in-perpetuity security for the offset site is appropriate. These commitment and actions form part of the Project Approval thereby providing the necessary enforceability to ensure they are implemented.

To ensure that the proposed offset is maintained for the duration of the life of Appin No 6 Shaft and takes into consideration any other change in landuse to the proposed offset area during that time, Illawarra Coal makes the following commitment:

> In the event that the proposed offset area is subsequently subject to alternative landuses other than the conservation of biodiversity, Illawarra Coal will submit a revised offset package with an alternative conservation area to the Director General of Planning for approval that takes into consideration the initial disturbance at Appin No 6 Shaft and the proposed offset area.

This commitment has been developed on the basis of a recent Environment Protection and Biodiversity Conservation Act Approval Decision (EPBC 2010/5424) issued by the Department of Sustainability, Environment, Water, Population and Communities which requires a similar outcome to the above commitment.

We believe that the level of security provided by the Project Approval, coupled with the proposed offset and rehabilitation actions, provide an appropriate level of biodiversity management for the temporary disturbance of the 3.5 ha of poor quality Cumberland Plains Woodland that will be attributed to the Appin No 6 Shaft during its construction and operation.