

24 April 2026

WaterNSW Ref: D2026/25397

Jess Watson  
Department of Planning, Housing & Infrastructure  
Locked Bag 5022  
PARRAMATTA NSW 2124

**Subject: Lake Lyell Pumped Hydro Energy Storage Project (SSI-77018220) – Response to Environmental Impact Statement**

Dear Ms Watson,

WaterNSW appreciates the opportunity to review and provide comment on the Environmental Impact Statement (EIS) for the Lake Lyell Pumped Hydro Energy Storage Project (SSI-77018220).

As the development is located within the Sydney Drinking Water Catchment (the Catchment), section 6.61(1) and 6.63 of State Environmental Planning Policy (Biodiversity and Conservation) 2021 (the SEPP) apply including assessment of the project's neutral or beneficial effect (NorBE) on water quality.

WaterNSW has reviewed the EIS prepared by EMM Consulting Pty Ltd (dated February 2026), including the specialists' reports provided in the appendices.

WaterNSW notes that:

- the Project is located at Lake Lyell on land primarily owned by EnergyAustralia. Lake Lyell is part of the Coxs River Water Supply Scheme, which was developed to ensure an adequate supply of water for the operation of the former Wallerawang and current Mount Piper Power Stations
- the surface water and groundwater sources associated with the project area are subject to water sharing plans and therefore aspects of project water management are regulated under the NSW *Water Management Act 2000*. The NSW Aquifer Interference Policy establishes the criteria for impact assessment of projects that intercept groundwater and requirements for licensing
- the catchment area of Lake Lyell is bound by rugged forested escarpments and cleared valley floors. Farmers Creek is a major tributary of the Coxs River that flows through the township of Lithgow into the north-eastern portion of Lake Lyell, and
- the land-based components of the project are proposed to be constructed near the upstream portion of the Farmers Creek arm of Lake Lyell. Nearly 70 hectares of land will be disturbed by construction of the entire project requiring significant and extensive excavation works and removal of vegetation. Several watercourses and drainage lines will be fully or partially and permanently disturbed by the construction of the project.

WaterNSW considers that the extensive construction works including within the Farmers Creek arm of Lake Lyell, vegetation clearance and impacts on surface and ground waters and management are key issues for the project (**see Attachment 1 for detailed comments**).

WaterNSW also notes that the project is not located near any WaterNSW owned or managed lands; however, a number of water monitoring sites are identified within the project footprint, including streamflow gauges, water and algae monitoring sites and groundwater monitoring sites. It is unclear if any sites within the existing monitoring network will be impacted by the proposal. Potential impacts during both construction and operation at these monitoring devices have not been considered in the EIS. WaterNSW requests that this is addressed in the EIS/RTS (**for details see Attachment 1**).

With regards to the engagement claims made in the EIS, it is advised that WaterNSW has not been consulted during the preparation of the EIS or any technical specialist reports.

WaterNSW also requests to remain as a stakeholder in any further assessment and consultation on this project.

If you have any questions regarding this letter, please contact Nicole Wallwood at [Environmental.Assessments@waternsw.com.au](mailto:Environmental.Assessments@waternsw.com.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S Carr', written in a cursive style.

**SARAH CARR**  
**Head of Catchment and Land Management**

## **Attachment I - WaterNSW comments on the EIS for Lake Lyell Pumped Hydro Energy Storage Project (SSI-77018220)**

### **NorBE Assessment**

- The EIS includes surface water and groundwater assessments and cumulative impact assessment, and contains a statement that there will be a neutral or beneficial impact (NorBE) on water quality. However, the EIS does not include a proper NorBE assessment. WaterNSW requests the EIS/RTS include a more detailed NorBE assessment providing a comparison of pollutant concentration and loading for the pre-development scenario vs the post development scenario.

### **WaterNSW Infrastructure**

- Potential impacts during both construction and operation at WaterNSW's monitoring devices were not considered in the EIS. WaterNSW requests that the EIS/RTS identifies:
  - all monitoring sites within the proposal footprint
  - if any monitoring site will be directly or indirectly impacted by the proposal
  - if access arrangements to the monitoring sites will be impacted
  - which monitoring sites will be used in the project's ongoing water management and monitoring programs, and
  - mitigation measures to reduce the impact to these devices.
- WaterNSW requests that the proponent commits to avoiding impacts on WaterNSW's monitoring sites and to ensuring suitable access to these sites is maintained.

### **Surface water assessment (Appendix F of EIS)**

- The EIS states that water required for the operation of Mount Piper Power Station (MPPS) is currently supplied from the Springvale Water Treatment Plant (SWTP), the Coxs River Water Supply Scheme and the Fish River Water Supply Scheme. WaterNSW understands that from the end of 2023 to 2025, the SWTP was either non-operational or provided partial treatment or operated at reduced capacity due to excess mine water make as a result of longwall mining at Springvale mine. WaterNSW requests that the EIS/RTS include an assessment for scenarios when the SWTP is not operational or operates at reduced capacity and water needs to be pumped from Lake Lyell to TCR for MPPS. Particularly, WaterNSW requests that whether the proposed PHES operational levels can still be maintained in this scenario is addressed.
- Page 30, Table 4.7 and Fig 4.6 of Appendix F does not provide a breakdown of water usage from the Coxs River Water Supply Scheme and provides no data for the Year 24/25. Specifically, was any water pumped from Lake Lyell to the TCR? WaterNSW requests that this information is included the EIS/RTS.
- Section 5.7 Page 95 of Appendix F states all human wastewater generated at the accommodation camp and construction site amenities will be treated and trucked to a licensed facility unless a connection to an existing nearby sewerage main is available. No onsite disposal of wastewater is proposed during construction. However, Table 6.4 states that an on-site wastewater system will be established to manage wastewater produced from site amenities. The system will be designed and operated in accordance with the methods described in *Designing and Installing On-Site Wastewater Systems*(WaterNSW 2023b). Clarification is required in this regard.
- The potential for scouring has only been undertaken for the PHES operational stage (Section 8.3 of Appendix F and Appendix G of Appendix F), and not for construction stages - specifically

the initial construction stage (Table G.1 of Appendix G of Appendix F). WaterNSW notes that water levels in Lake Lyell during the initial construction phase will be lowered to 772 m with a high potential for scouring (approximately **13 m** below FSL which is significantly lower than during operational stages). The potential for scouring has also not been assessed for the proposed diversion channel into the Farmers Creek arm of Lake Lyell during operations. WaterNSW requests that these matters be addressed in the EIS/RTS.

- There is potential for increased suspended sediment concentrations and turbidity levels in the Farmers Creek arm of Lake Lyell during wet weather due to sedimentation basin overflows during construction. Adequate management of this risk should be addressed in the EIS/RTS.

#### **Excavated Rock Management Strategy (Appendix I of EIS)**

- The excavation of rocks, use of explosives and emplacement of excavated rock has the potential to impact on water quality, specifically nitrogen and heavy metals.
- To avoid leaching of metals including heavy metals and other pollutants such as nitrogen into groundwater and surface water systems, WaterNSW requests detailed excavated rock management plan(s) be prepared post-approval in consultation with WaterNSW including a construction contaminated water treatment and management system and detailed soil and water management plan.

#### **Aquatic Ecology Assessment (Appendix K of EIS)**

- WaterNSW notes that there are potential pathways for direct and indirect impacts of construction and operation activities including proposed water fluctuations in Lake Lyell on key aquatic and environmental receptors within Lake Lyell and associated waterways including direct loss of riparian habitat; direct loss of key fish habitat; direct loss of platypus habitat; potential barriers to fish and platypus passage; impacts to water quality and waterway health; direct impacts to non-listed native fish species; potential disturbance of platypus foraging and supporting food webs; and disruption of species life cycles and trophic interactions.
- WaterNSW requests that recommendations for mitigation measures in Section 10 of Appendix K and Appendix E as a minimum shall be incorporated in all management plans listed in Table E.1 of Appendix E including the Platypus Management Plan, Aquatic Fauna Management Plan, and Construction Environmental Management Plan.