

Steve O'Donoghue
Director of Resource Assessment
Department of Planning, Industry and Environment
Locked Bag 5022
Parramatta NSW 2124

3 November 2020

Dear Steve,

RE: Ulan Coal Continued Operations Project Modification

Ulan Coal Mines Limited (UCML) was granted Project Approval (PA) 08_0184 under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act) on 15 November 2010 for the Ulan Coal – Continued Operations Project (UCCO Project). Approved operations at the Ulan Coal Complex consist of underground mining in the Ulan Underground and Ulan West areas as well as open cut mining, and associated coal handling and processing, and transport through to August 2033.

UCML is proposing a modification to PA 08_0184 to maximise resource recovery from the existing underground mining operations within existing mining lease and exploration lease areas. In addition to identifying additional mineable resources within existing mining lease areas, UCML has determined that there is a valuable mineable resource within Exploration Lease (EL) 7542 and is seeking to modify the current Project Approval to enable access to this coal resource by extending the currently approved longwall panels in these area (refer to **Figure 1, in Attachment A**).

UCML is seeking written confirmation from the Department of Planning, Industry and Environment (DPIE) that the modification application for PA 08_0184 can be determined pursuant to section 4.55(2) of the EP&A Act. We have also outlined below the proposed technical assessments to be prepared as part of the Statement of Environmental Effects (SEE) for the modification. We would also appreciate confirmation from DPIE of any further assessment requirements.

Existing Operations

The Ulan Coal Complex is located approximately 45 kilometres north-north-east of Mudgee and 25 kilometres north-east of Gulgong in New South Wales. Operations at the Ulan Coal Complex are located approximately 1.5 kilometres east of the village of Ulan and entirely within the Mid-Western Regional Council Local Government Area (LGA). Coal mining has been undertaken in the Ulan area since the 1920s.

UCML has approval to extract 20 million tonnes of coal per annum (including a maximum of 4.1 Mtpa ROM from the open cut). The open cut operations are currently in care and maintenance. The Ulan Coal Complex currently operates 24 hours per day, seven days per week, including construction and maintenance activities.

Coal extracted at the Ulan Coal Complex is processed at the Coal Handling and Preparation Plant (CHPP) (apart from low ash coal that bypasses the CHPP), stockpiled and loaded via the dedicated Ulan Coal Complex rail loading facility for transport by rail to domestic markets or to the Port of Newcastle. The majority of coal is sold to the thermal coal export market.

Proposed Modification

The Proposed Modification includes:

- extension of Ulan Underground Long Wall (LW) panels LWW9 to LWW11 to the west
- widening of Ulan Underground LWW11 by approximately 40 metres
- extension of Ulan West LW9 to LW12 to the north
- widening of the approved Ulan West LW12 section by approximately 180 metres.

UCML is also proposing some minor changes to surface infrastructure to support underground mining activities including provision of:

- 3 ventilation shafts and associated infrastructure corridors
- 5 dewatering bores and associated infrastructure corridors
- alternate access track, connecting to previously approved access tracks
- infrastructure corridor and drop borehole to the south west of Ulan West.

UCML also proposes to relinquish 2 approved ventilation shafts, 1 approved dewatering bore and associated infrastructure corridors, as depicted on Figure 1, in Attachment A.

A comparison between the approved development under PA 08_0184 and the Proposed Modification is provided in **Table 1**.

Table 1 Proposed Modification

Aspect	Approved Operations	Proposed Modification
Mine life	Mining operations until 30 August 2033	Extension of life of mine until 30 August 2035 (an additional 2 years)
Limits of extraction	20 million tonnes of coal per annum (including a maximum of 4.1 Mtpa ROM from the Open Cut)	No change Additional 16Mt from the proposed modification
Operating hours	24 hours per day, 7 days per week	No change
Project boundary	As per PA 08_0184	Extension of Project Approval Boundary to include the northern part of EL 7542 (refer to Figure 1)
Mine plan	As per PA 08_0184	Extension of Ulan Underground LWW9 to LWW11, and Ulan West LW9 to LW12. Widening of Ulan Underground LWW11 and Ulan West LW12. Refer to Figure 1
Mining method	Retreat longwall method	No change
Surface infrastructure	As per PA 08_0184	Minor changes to infrastructure including dewatering bores, ventilation shafts and associated infrastructure to accommodate the proposed mine plan.
Coal Handling and Preparation Plant	As per PA 08_0184	No change

Coal Transportation	All coal transported from the site by rail. No more than 10 laden trains leave the site each day.	No change
Workforce numbers	Approximately 931 people (Ulan Coal Complex)	No change

The additional 16 Mt to be produced represents less than 3.5% of the currently approved limit of extraction and the additional area associated with the proposed modification represents approximately 9% of the total approved area.

Planning Approval Pathway

PA 08_0184 was approved under Part 3A of EP&A Act.

It is proposed to modify PA 08_0184 via section 4.55(2) of the EP&A Act on the basis that the proposed modified development is 'substantially the same development' as the development as last modified under former section 75W of the EP&A Act. The availability of section 4.55(2) as the approval pathway is considered appropriate given:

- the minor increase in mining area and surface infrastructure relative to PA 08_0184 Modification 4, being the last modification approved under the former section 75W of the EP&A Act
- no changes to annual production levels, mining method, transportation, CHPP and key infrastructure.

It is noted that the Proposed Modification may be referred to the Commonwealth Department of Agriculture, Water and Environment (DAWE) under the *Environment Protection and Biodiversity Conservation Act 1999*.

Environmental Assessment Scope

The environmental assessment process for the Proposed Modification has commenced. UCML has engaged Umwelt to prepare a SEE for the Proposed Modification, in accordance with the requirements of the EP&A Act and *Environmental Planning and Assessment Regulation 2000* (EP&A Regulation).

A preliminary assessment of potential environment and community issues associated with the Proposed Modification has been undertaken. This preliminary environmental assessment is based on detailed knowledge of the existing environment of the Project Approval Area, the nature of the Proposed Modification and the likelihood of changed environmental impacts relative to the approved operations. The Proposed Modification will result in an additional approximately 20 hectares of disturbance associated with surface infrastructure and increase the life of the mine by approximately 2 years.

The potential key environment and community issues associated with the Proposed Modification and the proposed approach to addressing these issues in the SEE, are outlined in **Table 2** below.

Table 2 Key Environmental and Social Issues and Proposed Assessment Approach

Aspect	Potential Impact	Proposed Assessment Approach
Social Impact and Opportunities	<p>There are no proposed changes to workforce numbers or operating hours as a result of the Proposed Modification.</p> <p>The Proposed Modification will result in the recovery of approximately an additional 16 million tonnes of coal and extend the life of the mine by approximately 2 years.</p>	A comprehensive Social Impact Assessment was undertaken as part of the UCCO Project. Given the Proposed Modification is considered to be substantially the same development as approved, it is proposed to review and update key elements the previous assessment for the Proposed Modification.

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		Further discussion is provided below.
Subsidence	The Proposed Modification will result in changes to the approved subsidence impacts of both the Ulan Underground and Ulan West Underground associated with the additional mining areas. Surface impacts on privately owned land are expected to be minimal.	<p>A detailed Subsidence Assessment will be undertaken for the Proposed Modification to assess the proposed additional mining areas and inform other environmental assessments.</p> <p>The assessment will include comparisons with the current approved subsidence performance measures and reference to <i>Work Health and Safety (Mine and Petroleum Sites) Regulation 2014</i> requirements.</p>
Water Resources	<p>The Proposed Modification will increase the underground mining area. While groundwater impacts are expected to be similar to the approved operations, the proposed additional underground mining will intercept groundwater and may potentially result in changes to groundwater take, potentially affecting groundwater users and flows.</p> <p>Surface subsidence effects have the potential to influence surface water flows. The Proposed Modification is not expected to have a significant impact on the catchment area of the current water management system.</p>	<p>A detailed Groundwater Impact Assessment will be undertaken for the Proposed Modification in accordance with relevant guidelines including the NSW Aquifer Interference Policy.</p> <p>A detailed Surface Water Impact Assessment, including a water balance, will be undertaken for the Proposed Modification in accordance with the <i>River Hydrology and Energy Relationships- Design Notes for the Mining Industry</i> (DWE, 2007), <i>Guidelines for Management of Stream/Aquifer Systems in Coal Mining Developments- Hunter Region</i> (Department of Water and Energy, undated) and applicable legislation.</p>
Agriculture	<p>The Project Approval Area is predominantly covered by mining and forested areas. There are areas, particularly to the north of the Project Approval Area, subject to non-intensive agricultural activities, including grazing. The Proposed Modification will undermine some private land holdings currently being used for non-intensive agricultural activities.</p> <p>The Proposed Modification is covered by an EL. A Site Verification Certificate application will also be lodged for the EL area that will be subject to a mining lease application.</p>	<p>An Agricultural Impact Assessment, including a soil and land resource assessment, will be undertaken for the Proposed Modification.</p> <p>A Biophysical Strategic Agricultural Land (BSAL) Site Verification Assessment to accompany a Site Verification Certificate application will also be undertaken.</p>
Air Quality	The Proposed Modification will not result in any changes to the Ulan open cut operations. The proposed impacts associated with the Proposed Modification are anticipated to be generally consistent with existing approved operations.	An air quality assessment will be undertaken for the Proposed Modification following the assessment guidelines from the EPA, namely, the <i>Approved Methods for the Modelling and Assessment of Air Pollutants in NSW</i> (EPA 2016).

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	Additional surface infrastructure, including ventilation fans, are required to support the proposed underground mining plan.	
Greenhouse Gas and Energy	The Proposed Modification will result in an additional 2 years to the mine life and recovery of approximately an additional 16 million tonnes of coal.	<p>A Greenhouse Gas and Energy Assessment (GHGEA) will be undertaken for the Proposed Modification, considering scope 1, 2 and 3 emissions.</p> <p>The GHGEA will use the internationally accepted principles developed by the Greenhouse Gas Protocol (2004), and the methodologies contained in the Australian National Greenhouse Accounts Factors (2018).</p>
Noise	<p>The Proposed Modification will not result in any changes to the Ulan open cut operations. The proposed impacts associated with the Proposed Modification are anticipated to be generally consistent with existing approved operations.</p> <p>Additional surface infrastructure, including ventilation fans, are required to support the proposed underground mining plan. Potential noise impacts associated with the Proposed Modification include construction activities associated with surface infrastructure requirements and operational noise associated with additional surface infrastructure, including ventilation fans.</p>	A detailed Noise Impact Assessment for the Proposed Modification will be completed as part of the SEE. This will include consideration of proposed construction activities and operational noise in accordance with the <i>Noise Policy for Industry</i> (NSW EPA, 2017).
Biodiversity	The Proposed Modification will result in areas of additional underground mining resulting in subsidence impacts, and direct impacts associated with additional surface infrastructure including ventilation fans, dewatering boreholes and access tracks.	<p>A biodiversity assessment in accordance with the Biodiversity Assessment Method (BAM) under the <i>Biodiversity Conservation Act 2016</i>, will be undertaken for the Proposed Modification.</p> <p>A Biodiversity Development Assessment Report (BDAR) prepared in accordance with Appendix 10 of the BAM will be included in the SEE.</p>
Aboriginal Cultural Heritage	The Proposed Modification will result in additional underground mining areas which will result in subsidence impacts. There will also be associated surface infrastructure required to service the underground mining operations including ventilation fans, dewatering boreholes and access tracks.	<p>A comprehensive Aboriginal Cultural Heritage Assessment will be undertaken for the Proposed Modification including a values assessment and archaeological investigation.</p> <p>The assessment will include consultation with Registered Aboriginal Parties in accordance with the <i>Aboriginal Cultural Heritage Consultation Requirements for Proponents 2010</i> (Department of</p>

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		Environment, Climate Change and Water, 2010) and assessment and reporting in accordance with the approval Ulan Heritage Management Plan and Aboriginal Heritage Standards Guideline Kit (DEC, 1997).
European Heritage	There are no known European heritage items located in the proposed additional underground mining areas or additional disturbance area. No additional impacts to known European heritage sites are predicted as a result of the Proposed Modification.	A qualitative assessment of European Heritage will be included in the SEE. If any potential items of European Heritage are found during the Aboriginal archaeological surveys, further assessment will be undertaken.
Visual	Given the nature of the Proposed Modification the visual impacts are expected to be consistent with existing approved operations. Potential visual impacts associated with the Proposed Modification include revised location of ventilation fan and dewatering borehole locations.	A review of visual impacts will be included in the SEE, supported by radial analyses.
Economics	There are no proposed changes to workforce numbers or operating hours. The Proposed Modification will result in the recovery of approximately an additional 16 million tonnes of coal and extend the life of the mine by approximately 2 years.	An economic assessment will be undertaken for the Proposed Modification in accordance with the 2015 <i>Guidelines for the Economic Assessment of Mining and Coal Seam Gas Proposals</i> (the Economic Guidelines) and the 2018 Technical Notes Supporting the Economic Guidelines.
Traffic and Transport	There are no proposed changes to workforce numbers, operating hours, product volumes or transport routes. Traffic impacts associated with the Proposed Modification are therefore expected to be consistent with the existing approved development.	No detailed technical assessment of traffic and transport impacts is proposed.

Social Impact Assessment Approach

A comprehensive Social Impact and Opportunities Assessment (SIA) was undertaken as part of the UCCO Project in 2009. The content of the UCCO Project SIA is consistent with the requirements of the current SIA Guideline (DPE Sept 2017). Given the Proposed Modification is considered to be substantially the same development as approved, the current social scope of work is proposed to review and update key elements of the previous assessment for the Proposed Modification. This would include updating the existing community profile, based on the most current ABS Census data, and reviewing the identified social impacts, in the context of the Proposed Modification. Impact mitigation strategies identified in the existing SIA will also be reviewed for currency and revised as required.

In accordance with the SIA Guideline “Application of this guideline” (page 2) and Appendix D “Review Questions” – Question 29, the potential social impacts resulting from the Proposed Modification in the surrounding community are not new or different in nature, scale or intensity to those already identified in the previous SIA. There will be no changes to workforce employment levels or types of workforce vocations, and subsequently there are not anticipated to be

changes to local or regional population-based social impacts such as the impacts on sense of community or service provision resulting from the number of employees, the residential location of employees, demographic changes, etc.

Consultation for the Proposed Modification will include Community BBQs, newsletters, individual landholder meetings and involvement of the Ulan Consultative Community Committee.

Proposed Project Timeframe

UCML anticipates that determination is required by March 2022 to facilitate the timely progression of underground development without significant risk to the mining schedule and the investment associated with the proposed mine plan.

Conclusion

UCML requests that DPIE:

- confirm that section 4.55(2) is the appropriate approvals path for an application made in respect of the Proposed Modification
- confirm any further assessment requirements in addition to the proposed environmental and social assessment approach outlined above.

Thank you for your assistance. Please do not hesitate to contact Brad Tanswell on 0429 598 542 or via email Bradley.Tanswell@glencore.com.au should you wish to discuss this matter further.

Yours sincerely,



Charlie Allan
General Manager
Ulan Coal Mines Limited

Attachment A: Figure 1: Proposed Ulan Modification

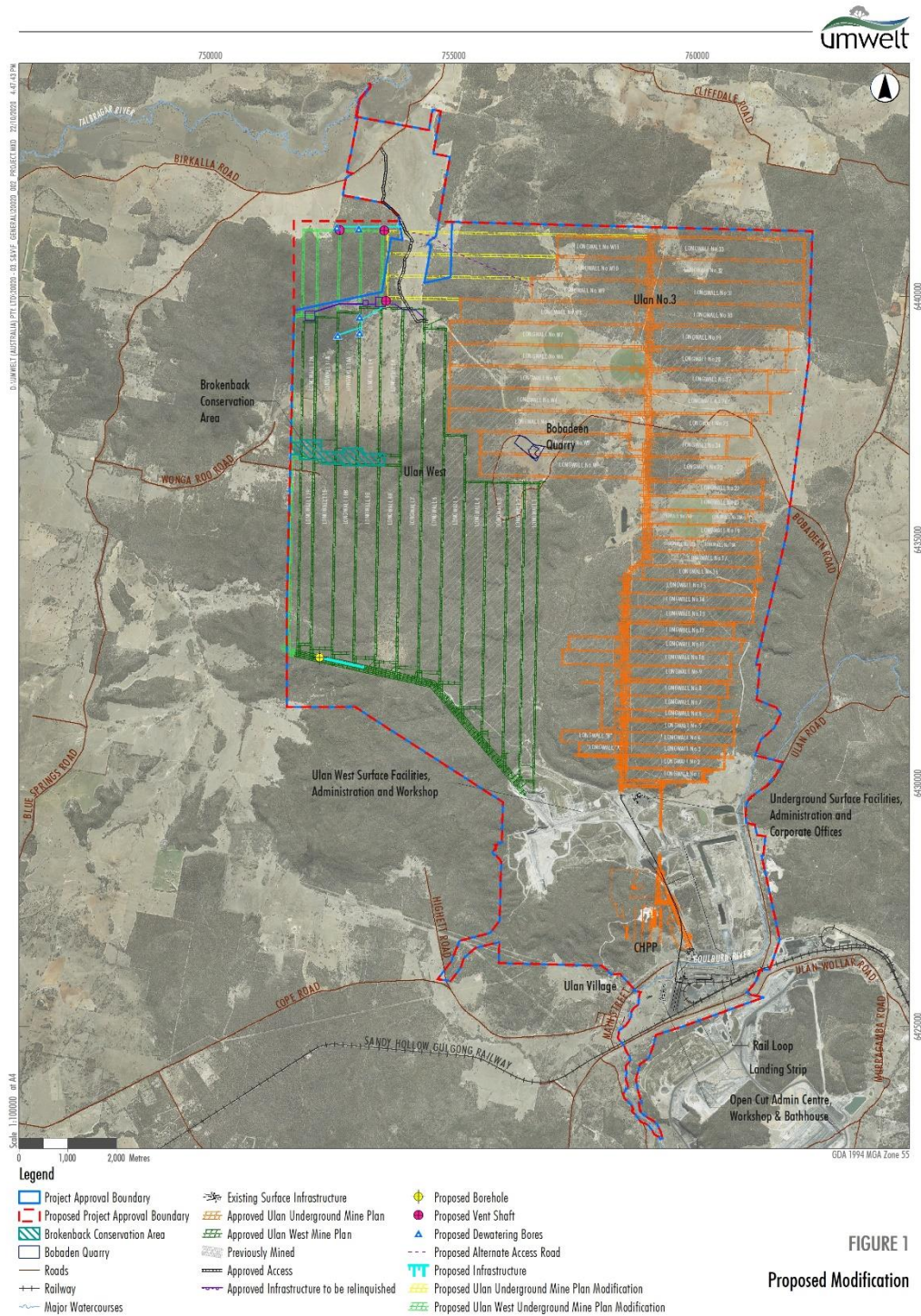


FIGURE 1
Proposed Modification

Image Source: Glenore (2018) Data source: Glenore (2020); NSW DFSI (2020)

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