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21 December 2022

Stephen O'Donoghue
Director Resource Assessments
Department of Planning and Environment

via Major Projects Planning Portal

RE: Mangoola Coal Continued Operations Project (SSD-8642) – Confirmation of Condition B48

Dear Steve,

Background & Context

As you may be aware, the Upper Hunter region has experienced sustained above-average rainfall over recent years resulting in significantly increased water storage inventories impacting Mangoola Coal Operations (Mangoola). Mangoola has been working collaboratively with the NSW Environment Protection Authority (EPA) in relation to these water management issues in accordance with our Development Consent (SSD-8642), and Environmental Protection Licence (EPL12984).

Mangoola has recently reviewed additional options to reduce current water inventories and has since lodged an application under section 58 of the *Protection of the Environment Operations Act 1997* to vary our Environmental Protection Licence. The intent of the variation is to facilitate the provision of a supplementary water source from Raw Water Dam in addition to water currently sourced from Pit Water Dam that is available to be discharged to the Hunter River as regulated by the EPA under the *Protection of the Environment Operations (Hunter River Salinity Trading Scheme) Regulation 2002*.

The rationale for this option is to utilise the lower salt loads in this water storage (EC of 2000 $\mu\text{S}/\text{cm}$ as of 1 November 2022) which will enable greater volumetric quantities of water to be discharged during high flow events relative to current arrangements with water sourcing from Pit Water Dam with a typical EC of up to 5400 $\mu\text{S}/\text{cm}$.

This will provide increased operational flexibility to more effectively manage site water balances whilst maintaining compliance with Conditions B46 and B47 of our Development Consent.

EPA Assessment & Mangoola Interpretation

The EPA has completed an initial assessment (**Tab A**) of the variation application and has raised concern regarding the interpretation of the water management performance measures provided by Condition B48 in relation to Raw Water Dam:

“Water levels must be managed so that the Raw Water Dam does not discharge water from the premises except in a 1 in 250 Annual Exceedance Probability 72-hour rainfall event or greater.”

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Mangoola understands that this performance measure relates to the water engineering design standard applied to the design and construction of the original dam and the subsequent development and implementation of current operating rules to withstand uncontrolled spills from Raw Water Dam into Sandy Creek during storm events less than the specified 72-hour 1:250 AEP design event.

Mangoola considers this analogous to the performance measures and associated design criteria (100-year ARI storm event) provided for Mine Water Storages, that do not preclude allocated discharges from Pit Water Dam to the Hunter River under current arrangements provided for by the Hunter River Salinity Trading Scheme.

DPE Confirmation Sought

As such, Mangoola seeks confirmation from the Department that the water management performance measures provided by Condition B48 do not prevent licensed discharges as allocated under the Hunter River Salinity Trading Scheme.

If required, Mangoola would welcome the opportunity to meet with representatives of the Department and the EPA to further discuss the project.

For further details regarding this matter please contact me on the below details.

Kind Regards,



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Attachments

Tab A – EPA Letter – Initial Assessment of EPL Variation Application – 13 December 2022