

19 October 2021

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

Kurri Kurri Lateral Pipeline Project update

Dear Stephen,

The design of the Kurri Kurri Lateral Pipeline Project (KKLP) has continued to develop since the Scoping Report was submitted in June 2021. In particular, the capacity of the storage pipeline and connectivity of the transmission pipeline with the Sydney to Newcastle Pipeline (SNP) have been subject to further review with subsequent design modifications now proposed, as described below.

Storage pipeline capacity

Snowy Hydro has requested that the capacity of the gas storage pipeline be increased from 43 TJ to 70 TJ. 70 TJ provides sufficient gas supply to run the Hunter Power Project's (HPP) two open-cycle gas turbine units for around 10 hours at full generation capacity. This larger gas storage pipeline configuration, combined with an ability to refill the majority of the gas storage pipeline over one day from the SNP provides for longer running hours on gas and reduces the probability of having to run the power station on liquid fuels.

To accommodate the increased storage capacity, the length of the 42" diameter storage pipeline would increase to around 25km. The associated increase in storage pipeline construction footprint would continue to avoid direct impacts to the proposed stewardship area for the Kurri Kurri Regrowth project, and remain within the storage pipeline study area previously released publically for community consultation, as shown on the KKLP social pinpoint page - <https://apa.mysocialpinpoint.com/kurri-kurri-lateral-pipeline#/>

Transmission pipeline connectivity

Snowy Hydro has requested that APA design the transmission pipeline to provide for bi-directional flow to and from the SNP. This will enable gas stored in the storage pipeline to be transferred to the SNP, and therefore the east coast gas grid. Currently, gas being supplied to the NSW load centres (spanning Newcastle to Wollongong) must be imported via the Eastern Pipeline or the Moomba to Sydney pipeline. During periods of tightness in the NSW gas market having a storage pipeline that can inject gas back into the network will help provide greater gas system security and will help with managing the peakiness in NSW gas customer loads.

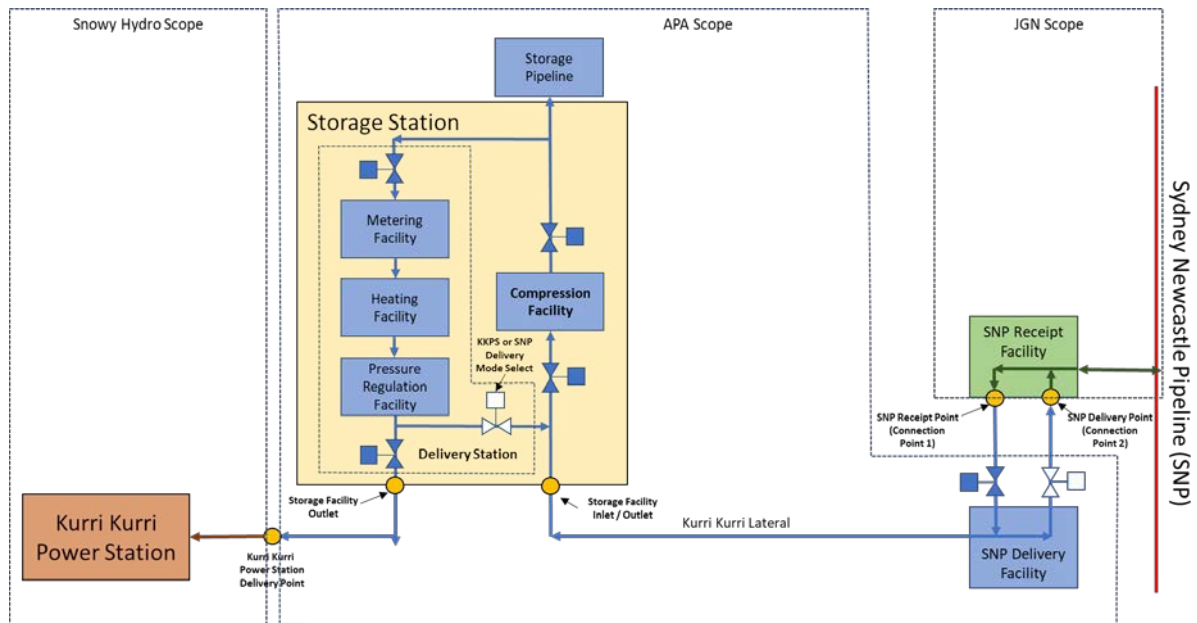
Design changes to enable this functionality entail connection of the delivery station, which controls the flow of gas from the storage pipeline to the HPP, to the transmission pipeline. Flow direction would be controlled by on/off switching. There are no material changes to the construction footprint or operational impacts of the delivery station as a result of this capability.

In addition, a reconfiguration of the offtake facility (which controls gas flow from the SNP into the transmission pipeline) is required to enable bi-directional flow. Rather than a single facility, two separate but co-located facilities referred to as the 'SNP receipt facility' (to be operated by Jemena) and the 'SNP delivery facility' (to be operated by APA) are now proposed.

The co-located facilities would encompass an area of approximately 0.5 to 1ha proximal to the SNP, and within the study corridor presented in the Scoping Report.

Jemena, as the operator of the SNP, would be responsible for the design, planning approvals, construction and operation of the SNP receipt facility, as well as a short section of pipeline between the SNP receipt facility and the SNP. Based on the currently proposed location, the length of the connecting pipeline would be approximately 600 m.

A schematic of this arrangement is provided below.



APA has investigated the option of a combined APA and Jemena facility with capacity for bi-directional flow to reduce the overall disturbance footprint required for separate SNP receipt and delivery facilities. The design was determined to be unsuitable primarily as the combined configuration would not comply with receipt and metering requirements specified by the Australian Energy Regulator, as prescribed in the Access Arrangements for this section of the east coast grid. Modifications to the Retail Market Procedures published by AEMO would also be required to operate a combined facility with bi-directional flow.

Neither of the proposed design changes described above are considered to materially affect the relevance of the KKLP Secretary's Environmental Assessment Requirements (SEARs), as issued on 23 July 2021. The requirements of the SEARS, including identified key issues, are considered to appropriately address the potential environmental and social impacts associated with construction and operation of the KKLP regardless of proposed changes to storage pipeline capacity and directionality of flow in the transmission pipeline.

If you require any further information, please do not hesitate to contact the undersigned (trent.williams@apa.com.au) or Tom Hatfield (tom.hatfield@apa.com.au).

Yours sincerely

Trent Williams
**Access and Approvals Manager - KKLP
 Infrastructure Planning and Approvals**