



DOC19/178893

Ms Rose-Anne Hawkeswood
Department of Planning and Environment
GPO Box 39
SYDNEY NSW 2001

Dear Madam

Port Kembla Gas Terminal (CSSI 9471) – Regulation of the Operational Floating Storage Regeneration Unit (FSRU)

I am writing in response to the recent discussions between the Department of Planning and Environment (DPE), Australian Industrial Energy (AIE) and the Environment Protection Authority (EPA) regarding regulation of air emissions and water discharges from the operational Floating Storage and Regasification Unit (FSRU).

Air Emissions

The potential overlap of New South Wales and Commonwealth legislation for the operational FSRU was raised in our 15 February 2019 correspondence (our reference DOC18/89968-2) on the Response to Submissions report.

AIE has indicated that the FSRU will not comply with the Protection of the Environment Operations (Clean Air) Regulation 2010 (Clean Air Regulation) emission concentration standards (Group 6), under some scenarios. These scenarios were outlined in an email to the EPA and DPE dated 26 February 2019 and relate to several operational scenarios whereby Marine Diesel Oil (MDO) would be utilised instead of Liquid Natural Gas.

Based on a review of the information provided, the EPA provides the following comments to assist DPE in the assessment of this proposal.

1. There is potential for conflicting NSW and Commonwealth legislative requirements in regard to the proposal. Under these circumstances there is a risk that NSW legislation might not operate. The EPA makes the following observations:
 - EPA is likely to regulate elements of the operational FSRU as it is expected to be a scheduled premise under the Protection of the Environment Operations (POEO) Act 1997 and require an Environment Protection Licence (EPL). This is based on the FSRU being part of that premises.

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- The Proponent has presented a series of scenarios where the FSRU will have to operate on MDO. The FSRU does not appear to be able to achieve POEO (Clean Air) Regulation Group 6 emissions standards during MDO operation. EPA is unable to issue a licence for emissions exceeding these standards.
 - It is unclear if the monitoring of engine emissions is able to be undertaken in accordance with the *Approved Methods for the Sampling and Analysis of Air Pollutants in New South Wales*. This is a requirement under the Clean Air Regulation and in the draft EPA conditions provided to DPE.
2. It is important that (1) above is resolved prior to determining the project to provide certainty in issuing any approval conditions (and subsequent EPL).
 3. DPE should seek legal advice, in discussion with EPA to clarify where Federal regulations and NSW Regulations apply to the operational FSRU. The input of Crown Solicitors Office may be required.

Water Discharges (chlorine limits)

In the AIE email of 26 February 2019, the company stated the Columbian FSRU has been able to maintain a Total Residual Chlorine (TRC) discharge of less than or equal to 20 micrograms per litre (ug/L). However, the detection level of test method (20 ug/L) prevents the necessary process adjustments until discharge concentrations exceed 20 ug/L. Thus a 25 ug/L discharge limit would be acceptable. This 25 ug/L limit incorporates some flexibility against the limitations of the test method detection level.

EPA staff have identified a test method which has a lower detection level (up to 2 ug/L) (<https://www.hach.com/chlorine-reagent-set-total-ultra-low-range-dpd/product?id=7640188381>).

This method may be suitable for monitoring the TRC discharge concentration. In consideration of the above, EPA has proposed a modification to the TRC limit listed in our 15 February 2019 correspondence. This modification is listed in Attachment 1. These conditions would be subject to verification testing (as per the draft condition) where suitability to the operational Port Kembla FSRU could be confirmed, and modified if necessary.

The EPA is committed to working with DPE and the proponent to help progress the above matters and can meet at a mutually convenient time to discuss any of our comments.

Should you require any further information please contact Greg Newman on (02) 4224 4100.

Yours sincerely



05/03/2019

GISELLE HOWARD
Regional Director Metropolitan
Environment Protection Authority

Attachment 1: Revised Water Limits and Water Monitoring Conditions

Water Limits (DOC19/89968-2, Attachment C, Page 3)

Point	Analyte	Limit
Cooling water discharges	Total residual chlorine	13 microgram per litre 20 micrograms per litre
Cooling water discharges	Temperature	Ambient plus 7 degrees Celsius

Note: Water quality limits will be informed and potentially revised by more detailed information from the Proponent, verification conditions, and relevant management plans.

Water Monitoring (DOC19/89968-2, Attachment C Page 6)

Points TBD

Pollutants	Units of Measure	Frequency	Sampling Method
pH	pH	Daily during any discharge	Grab sample
Temperature (Intake and outlet)	Degrees Celsius	Continuous	Continuous
Total residual chlorine/total residual oxidant	micrograms Cl per L	Daily	TBD DPD Method (or equivalent) with level of detection less than 20 ug/L

Note: Monitoring locations, sampling methods, and other requirements will be reviewed and possibly revised through the relevant management plans and verification conditions.

