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Contact: Matt Fuller (02) 4224 4100

Boral Cement Ltd
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Dear Aleks

**PROPOSED MODIFICATION TO PLANNING CONSENT AND LICENCE
ENVIRONMENT PROTECTION LICENCE 1698**

I refer to correspondence and submissions by Boral Cement Ltd (Boral) received by the Environment Protection Authority (EPA) in January and November 2013, and meetings held on 25 March 2013, 6 November 2013 and 7 February 2014 to discuss modifications to Development Consent and Environment Protection Licence (EPL) conditions at the Berrima Cement Kiln if non-standard fuel were to be used.

Boral outlined to the EPA the changing conditions in the cement market and the challenges faced, particularly with the closure of the Medway Colliery (which supplied coal to fuel Kiln 6 at Berrima). Boral also provided information about the critical importance of alternative fuels at Berrima in view of the current and future competitive environment. Boral also provided information for discussion about possible changes to the EPL conditions regulating the utilisation of non-standard fuels at Berrima, considering the European Waste Incineration Directive (WID). Boral has advised the EPA that it sees the Consent and EPL changes as necessary to ensure the viability of any non-standard fuel program at Berrima.

Boral Cement EPL 1698 currently has approval to use three non-standard fuels, specified in Condition L4 being: Hi Cal 50; AKF-1 (liquid oil residues) and AKF-5 (waste tyres). EPL 1698 also has different emission limits for when standard fuels are being used, and for when non-standard fuels are being used. The non-standard fuel limits are described in Conditions L3.5 and L3.6. The emission limits for non-standard fuels are more restrictive or lower, than those for when standard fuels are used.

Concurrently with these meetings, the EPA had been progressing the development of a new policy framework to cover the use of waste materials as fuels in NSW (*NSW Energy from Waste Policy Statement*). NSW Industry, including Boral was consulted and provided submissions to the EPA during the consultation period. The policy recognises that the recovery of energy and resources from the thermal processing of waste has the potential, as part of an integrated waste management strategy, to deliver positive outcomes for the environment and the community. Further, where waste cannot be avoided or products reused, there are various recovery technologies available to maximise resources efficiencies and increase the sustainability of our communities, businesses and industries.

The *NSW Energy from Waste Policy Statement (the Policy Statement)* was released by the NSW Minister for the Environment on 21 March 2014.

At the Boral/EPA meeting on 7 February 2014 Boral expressed an interest to use construction timber waste as a fuel, and divert a material that is currently predominantly sent to landfill. The background and key elements of the Policy were discussed with Boral, and Boral provided feedback on how the Policy would influence your business. The EPA found these discussions valuable.

Boral were interested to understand the EPA's view and interpretation of the *Policy Statement* in terms of compliance with Group 6 limits as specified in the *Protection of the Environment Operations (Clean Air) Regulation 2010 (the Clean Air Regulation 2010)*. Boral stated that at Berrima, compliance with Group 6 NO_x limits was technically possible, however it would require a high capital cost to install equipment and a very high annual operating cost, with little environmental benefit considering the air shed where the premises is located. There was also discussion around compliance with Group 6 VOC limits and whether the contribution of VOCs from raw materials compared to the contribution of VOCs from fuels could be accounted for when assessing compliance with emission limits. Boral also provided information on particle limits, averaging periods and allowances for measurement uncertainty, as per the European WID.

In terms of the specific questions raised by Boral, the EPA responds as follows:

- **NO_x Limit:** As it may be cost prohibitive for existing plant to meet the relevant Group 6 NO_x emission standard the EPA could consider an application for an alternative NO_x emission standard in accordance with Clause 36 of the Clean Air Regulation 2010.
- **VOC limit:** The Group 6 VOC emission standard may not be appropriate for some industry sectors such as cement kilns. In particular where volatilisation of raw materials contributes to VOC emissions. The Group 6 Clean Air Regulation 2010 limit for VOC's reflects proper and efficient combustion and does not account for volatilisation of raw material. The EPA could consider an application for an alternative VOC emission standard in accordance with Clause 36 of the Clean Air Regulation 2010.
- **Solid Particle Limit:** Emissions of solid particles must comply with the relevant Group 6 emission standard in the Clean Air Regulation, 2010. Any request to modify EPL particle limits would be subject to assessment, and be assessed against relevant ground level impact assessment criteria.
- **Oxygen Reference:** The EPA can specify an Oxygen reference condition based on the specific process. Boral would need to provide information to the EPA to justify any change to the Oxygen reference conditions.
- **Confidence Intervals:** The EPA would **not** consider the use of confidence intervals with in the NSW regulatory framework
- **Averaging Period:** Boral has stated a preference for using 24 hour averages. The EPA can review averaging periods, however as a guide they should be consistent with any health based averaging period.

The EPA understands that Boral may consider making an application to NSW Department of Planning and Infrastructure to permit the use of construction timber waste. Any application to vary EPL limits could only be considered after an amendment to vary relevant development consent requirements. EPA advises that Boral refer to the requirements of the now publicly available *Policy Statement* when preparing any such application. The Policy Statement can be found on the EPA website at the following web address: <http://www.epa.nsw.gov.au/resources/waste/140056enfromwasteps.pdf>.

If you have questions regarding the above please phone Matt Fuller on (02) 4224 4100.

Yours sincerely



9/5/14

PETER BLOEM
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Environment Protection Authority