

8 July 2013

Director-General
Department of Planning
GPO Box 39
SYDNEY NSW 2001

Dear Sir

CHAIN VALLEY COLLIERY EXTENSION PROJECT

Delta Electricity is the owner of the Vales Point power station situated on the shores of Lake Macquarie on the Central Coast of New South Wales. This power station supplies approximately 8% of the total generation for NSW and consumes approximately 3 million tonnes of coal per year. The Chain Valley Colliery has supplied coal to the power station since the colliery was opened in the 1960's. A significant feature of having a coal mine adjacent to the power station is the presence of a competitive, reliable coal supply.

Delta owns and operates the Wyee Rail Coal Unloader to maximise the coal supply base from which it might draw its future supplies. However, local supplies remain the preferred alternative. Coal railed in from other districts to meet power station demand may affect local mine employment, produce higher greenhouse emissions given the longer transport distance and require new developments, either in terms of new mines or re-activated railway lines. In contrast, the current proposal from LakeCoal for an expansion of its existing operations would mean continued support for the local economy and a reduced impact on the environment.

If LakeCoal was forced to cease operations there is no obvious replacement supply available from within the Newcastle Coalfield given that the other domestic coal producers are already contracted to the power station and Eraring. Locally, a direct loss of full-time and part-time jobs associated with the provision of mining services could be expected plus the indirect loss of jobs in the region associated with the supply of items such as chemicals, fuel oil, lubricants, generic consumables, vehicles, food and accommodation and office equipment.

In the interests of both the State and local economies, Delta believes that the Chain Valley Extension Project should be approved.

Yours sincerely

A handwritten signature in black ink, appearing to read "David Hogg", written in a cursive style.

DAVID HOGG
GENERAL MANAGER FUEL & ENVIRONMENT