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Department of Planning and Environment
GPO BOX 39
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Attention: Hamish.aiken@planning.nsw.gov.au

Dear Mr Aiken

Chain Valley Colliery Modification 2 SSD-5465 Recommended Conditions of Approval

I refer to the Department of Planning and Environment's ("DPE") email dated 15 July 2015 seeking recommended conditions of approval for modification 2 of SSD-5465 for Lakecoal Pty Limited's ("Lakecoal") Chain Valley Colliery. I also refer to the Statement of Environmental Effects ("SEE") titled *'Chain Valley Colliery Modification 2 Statement of Environmental Effects Section 96 Modification to SSD-5465 Vol 1 – 3'* prepared for Lakecoal by EMGA Mitchell McLennan ("EMM") in support of that application.

The Environment Protection Authority ("EPA") understands that the modification involves:

- an increase in the maximum rate of ROM coal extraction from 1.5Mtpa to 2.1 Mtpa;
- mine design changes, primarily the re-orientation of miniwall panels in the northern mining area;
- an increase in personnel from 160 to 220; and
- minor vegetation clearing / disturbance at the pit top and ventilation shaft.

The EPA understands that coal produces in excess of 1.5Mtpa will be transferred underground to Mannering Colliery for handling and preparation before being transported by conveyors to Vales Point Power Station ("VPPS").

Recommended Conditions of Approval

Further discussion regarding the EPA's review of the SEE is provided at Attachment 1 and Recommended Conditions of Approval are also provided at Attachment 1.

The Recommended Conditions of Approval relate only to the development as proposed in the SEE document. In the event that the development is modified either by the applicant prior to the granting of consent or as a result of a condition proposed to be attached to the consent, it will be necessary to consult with the EPA about the changes before consent is issued. This will enable the EPA to determine whether a recommended condition of approval needs to be modified in the light of the changes.

If you wish to discuss this matter further please contact Natasha Ryan on 02 49086833.

Yours sincerely



23.7.15

KAREN MARLER
Head Regional Operations Unit – Hunter
Environment Protection Authority

Encl: Attachment 1: Review of SEE and Recommended conditions of approval

ATTACHMENT 1

**ENVIRONMENT PROTECTION AUTHORITY – REVIEW OF STATEMENT OF ENVIRONMENTAL
EFFECTS AND RECOMMENDED CONDITIONS OF APPROVAL
SSD-5465 MODIFICATION 2
LAKECOAL CHAIN VALLEY COLLIERY**

The EPA has undertaken an assessment of the document titled '*Chain Valley Colliery Modification 2 Statement of Environmental Effects Section 96 Modification to SSD-5465 Vol 1 – 3*' prepared for Lakecoal by EMGA Mitchell McLennan ("SEE").

The EPA has determined through review of the SEE that the proponent will be required to apply for a variation of existing Environment Protection Licence 1770 ("the Licence") for the scheduled activities in relation to limit conditions for extraction of run of mine ("ROM") coal.

The following comments are provided to DPE in determination of the project.

Noise and Air

The SEE did not identify any noise impacts as a result of the project. The EPA notes that air quality impacts were predicted in relation to additional private vehicle movements as a result of the increased workforce and greenhouse gases as a result of additional coal being mined.

No air quality or noise impact assessments were undertaken as the modification is related to an increase in yield with no expected increase in above ground stockpile volumes or change in maximum handling rates. These have been assessed previously.

Water

The EPA advises that Lakecoal are not proposing to increase the volume of groundwater dewatering or increase the volume of groundwater and surface waters discharged from the premises. As a result Lakecoal have not undertaken an environmental assessment of water discharges.

The EPA has been concerned about water management on the premises, groundwater discharges from the premises and management of sewage on the premises. As a result, the EPA has included Pollution Reduction Programs ("PRP's") on the Licence to upgrade sewage treatment systems and water management on the premises. With the additional work force as a result of the project, the EPA recommends a condition that Lakecoal manage their sewage in accordance with EPA requirements. The current sewage management involves collection in a septic tank with the effluent discharged via the water management devices and into Lake Macquarie without any disinfection. Sludge is removed by licensed waste contractor. The EPA has received an options report and is progressing through conditions on the Licence an upgrade of sewage treatment and management at the premises.

In addition, the EPA is in the process of reviewing the quality and volume of discharges from the premises and may require water treatment prior to the discharge of waters from the premises if a strategic review identifies that metal concentrations in discharges are of concern. The SEE has identified that dissolved copper and zinc exceed ANZECC guidelines for fresh and marine waters, but offers no practical means of managing and mitigating the metals. The EPA will be addressing this issue through the strategic review of mine discharges into Lake Macquarie.

RECOMMENDED CONDITIONS OF APPROVAL

The EPA advises DPE that the current noise limits established in the current approval are appropriate to manage any noise impacts from the modification.

The EPA recommends the following conditions of approval for the Modification above and beyond the current consent conditions.

1. All sewage at the premises must be treated, managed and/or disposed of in accordance with the requirements of the EPA.

Environment Protection Authority
23 July 2015