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7 August 2018

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By email: [Anthony.Ko@planning.nsw.gov.au](mailto:Anthony.Ko@planning.nsw.gov.au)

Dear Anthony,

**Bayswater Power Station Turbine Efficiency Upgrade SSI 9234 – Exhibition of Environmental Impact Statement**

Council refers to the above matter and takes this opportunity to thank the Minister and the Department for the opportunity to make the submissions herein.

**Background**

1. The Bayswater Power Station (**Bayswater**) is located within Council's Local Government Area (**LGA**).
2. Bayswater was commissioned in 1985 based on an Approval provided by Muswellbrook Shire Council on 18 September 1980 (**1980 Consent**). A copy of same is **attached**.
3. The proposal involves the removal and replacement of the 4 steam turbine units at the Bayswater Power Station. The current units are aging and will require maintenance. Council has been advised that this will increase Bayswater's capacity from 660MW to 685MW with no increase in fuel consumption.
4. On 2 March 2018, the project was declared as State significant infrastructure and critical State Significant Infrastructure by an amendment made to the *State Environmental Planning Policy (State and Regional Development) 2011 (SRD SEPP)*
5. The Applicant submitted its application on 28 March 2018 (SSI 9234).
6. The Application is accompanied by a number of documents, including the Environmental Impact Statement dated 29 June 2108 and Revision 02 dated 11 July 2018 (**EIS**).

7. It is the latter to which Council makes these submissions in response.

### Submissions

8. The application to the Minister is for two things:
- (i) Approval of the turbine replacement; and
  - (ii) Approval to operate the turbines at the new increased Continuous Maximum Rating (CMR) capacity.
9. This is not express in the on-line application which simply states:
- “AGL Macquarie proposes to replace the turbines in each of the four existing generating units over a four-year period, increasing the CMR capacity from 660 MW to 685 MW for each generating unit. This will improve the reliability, efficiency and security of electricity supply to NSW during peak demand periods.”
10. It is clear from the accompanying State Significant Infrastructure Application Report that approval for the increased CMR is also sought as it is expressly stated under the heading “1.2 Project Summary” on page 1:

“The project is essentially a like for like replacement of the ageing turbines with current turbine technology. Since Bayswater was commissioned, there have been improvements in turbine technology which increase the efficiency at which the steam produced at power stations can be converted to electricity. As a result, the project will have the consequence of increasing the CMR capacity of each turbine from 660 MW to 685 MW. **Approval is sought for the rated capacity increase as part of the project.** This will improve the reliability, efficiency and security of electricity supply to NSW during peak demand periods without increasing coal consumption or air emissions.”

### Modernising the 1980 Consent

11. The 1980 Consent is a cause of significant concern to Council because it is:
- (i) The consent on which the applicant purports to use the development;
  - (ii) Based on an Environmental Impact Statement and Supplementary Volume dated June 2017 (**original EIS**); and
  - (iii) Does not contemplate the *Environmental Planning and Assessment Act 1979* or the myriad changes to that Act and subordinate legislation since its inception.
12. It is clear to Council that neither the 1980 Consent nor the original EIS contemplated the complexity and significance of the impact of the operation of the development and the various development and land-uses which have arisen since the grant of the consent.
13. Council submits that the eventual retirement of Bayswater and the legacy issues it entails were never contemplated by the 1980 Consent or the original EIS.
14. As you would be aware, the 1980 Consent is largely silent on a range of key matters including:
- (i) Dust generation and odour;
  - (ii) Discharge of pollutants;
  - (iii) Hours of construction;

- (iv) Soil and water quality impacts;
- (v) Ecological impacts;
- (vi) Air quality monitoring;
- (vii) Ground water monitoring; and
- (viii) Environmental management and reporting.

15. Council submits that these matters are dealt with in greater detail in contemporary development consents for coal-fired power station projects and associated development.
16. Council respectfully submits that the current application represents a significant opportunity for the Minister to ensure that the 1980 consent is modernised by requiring the Applicant to submit a new development application to Council for the site within two (2) years of any grant of approval by the Minister to the current application.
17. Council submits that the example of Eraring power station is instructive. In its application (06\_0238) determined in 2008, the proponent applied for approval to upgrade the nominal capacity of each turbine in the existing Eraring power station from 680MW to 750MW. Council respectfully submits that the modernisation of the consent conditions for the Eraring power station in 2008 was integral to the approval for the upgraded facility and that the same approach should be expected for Bayswater in 2018.
18. Council submits that it is imperative that the 1980 consent is modernised to effectively deal with the environmental and community impacts of the facility.
19. Moreover, Council's view is that the 1980 Consent must be modernised to ensure an orderly closure process in which environmental, social and economic impacts are mitigated and a positive legacy for the community is guaranteed.
20. In the *Retirement of coal fired power stations: Final report* prepared by the Environment and Communications References Committee of the Commonwealth Senate (**Committee**), the Committee noted at paragraph 5.9 that:
 

*"The experience of announced coal fired power station closures in Australia over the last four years shows that companies, on average, have given less than four months' notice to affected workers and communities of upcoming plant closures...**It highlights the need for an orderly closure process to be facilitated by government...**with closures announced ahead of time to give certainty to investors, take into account impacts on the broader electricity system, and **allow for a just transition for affected workers and communities.**"*

[emphasis added]
21. In respect of the health and environmental impacts of coal fired power stations, the Committee stated at paragraph 5.22 that "[d]espite the longstanding operations of coal fired generators in Australia, these impacts have not been adequately studied or accounted for in making decisions about plant longevity and retirement."
22. Council submits that as coal fired power station are retired, it is essential that the relevant sites are properly rehabilitated to ensure a positive community and environmental legacy. The risks of not enshrining these standards in

development consent conditions is thrown into sharp relief by the Committee's statement at paragraph 5.25 that:

*"Without adequate rehabilitation bonds or provisioning for the costs of rehabilitation there is a real risk that taxpayers will end up bearing the burden of these rehabilitation costs, or **alternatively that rehabilitation will not be performed to an adequate standard.**"*

[emphasis added]

23. It is apparent to Council that the Minister has an opportunity to ensure that the above issues are dealt with in a consolidated and enforceable manner to prevent the lingering of a decommissioned coal-fired power station in perpetuity on a site which could be effectively re-used by the community.
24. While Council is keen to see the upgrade approved and implemented as soon as possible, on the basis of the foregoing, it is Council's respectful submission that the applicant be required to submit a new development application to Council within two (2) years of the grant of development consent for the contemplated project, if approval is so granted. The two (2) year delay in the application to Council enables AGL to proceed with the important task of the upgrade without being distracted by planning for closure until after this urgently required upgrade is implemented.

#### **Regularising the Use of the Facility**

25. Council notes that the critical state significant infrastructure declaration (**the declaration**) in Schedule 5 of the SRD SEPP is as follows:

*"Development for the purposes of the Bayswater Power Station Turbine Efficiency Upgrade project, being the replacement and upgrade of turbines on the 4 existing generating units. The development is to be carried out on the site of the Bayswater Power Station (being Lot 2, DP 327372 and Lot 2, DP 1095515)."*

26. Council respectfully submits that:

- (i) The declaration provides that the development for the replacement and upgrade of the turbines does not include the use of the upgraded facility;
- (ii) Because of this, a development application to regularise the use of the facility must be made to Council as the Minister is not the consent authority for such an application pursuant to sections 4.15 and 5.14 of the *Environmental Planning and Assessment Act 1979*;
- (iii) The 1980 Consent requires that the development be carried out "*as described in the environmental impact statement and supplementary information volume dated June 1979*";
- (iv) The original EIS provides that the four (4) turbines each have a CMR of 660MW as opposed to 685MW as proposed in the current application.

27. Consequently, Council's position is that the Minister includes a condition of consent requiring a statement of commitment from the applicant that it will lodge a fresh development application within two (2) years of the grant of consent for the project.

Yours faithfully

A handwritten signature in black ink, appearing to be 'F. Plesman'.

Fiona Plesman  
**General Manager**

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