



NSW GOVERNMENT
Department of Planning



Contact: Keiran Thomas
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Our ref: S06/00305

Ms Glenda McLoughlin
Chief Financial Officer
Metgasco Ltd
PO Box 517
NORTH SYDNEY NSW 2060

Dear Ms McLoughlin

Richmond Valley Power Station and Casino Gas Project (06_0217) – Copies of Submissions

In accordance with section 75H(5) of the *Environmental Planning and Assessment Act 1979* (the Act), please find enclosed a copy of all submissions received during the public exhibition of the above proposed project.

In accordance with section 75H(6) of the Act, the Director-General requires Metgasco Ltd to respond to all the issues raised in the submissions.

If the response to submissions requires changes to the project to minimise its environmental impact or affects the statement of commitments, the Director-General requires a preferred project report to be prepared and the statement of commitments to be revised.

Should the submissions raise any issues which you would like to discuss further or if you have any other enquiries, please contact Keiran Thomas on 9228 6325 or via email keiran.p.thomas@planning.nsw.gov.au.

Yours sincerely


Scott Jeffries
Director
Major Infrastructure Assessments

25/09/08



Ms Dinuka McKenzie
Senior Environmental Planning Officer
Major Infrastructure Assessments
Department of Planning
GPO Box 39
SYDNEY NSW 2001

24 September 2008

Dear Ms McKenzie

Your Ref: S06/00305; 06_0217
Our Ref: 06/5458

**Re: Environmental Assessment for the Richmond Valley Power Station
and Casino Gas Project (Application: 06_0217).**

Thank you for forwarding a copy of the Environmental Assessment (EA) for the above project to the Department of Primary Industries (DPI).

It is unfortunate that a Draft copy of the EA was not previously provided to key agencies to advise your Department whether there were any significant issues which had not been adequately addressed by the proponent in its EA. It is noted that this is the normal procedure adopted by your Department's Mining and Extractive Industries Group for major mineral and extractive resource projects.

The current EA contains insufficient information to demonstrate an economic coal seam methane gas resource in the Casino Gas Project to sustain supply to the proposed power station, and to warrant grant of a future Petroleum Production Lease (PPL) for gas field development.

Accordingly DPI cannot support the Casino Gas Project component of this Application until it is supplied with the required resource information to demonstrate the project's economic viability necessary to warrant the grant of any future PPL.

Discussion

A conceptual project development plan (CPDP) for this project was presented to technical experts of the Department of Primary Industries – Mineral Resources Division (DPI-MR) on 14 August 2006 after a Planning Focus meeting had been organised by the Department of Planning (DoP) and held on 2 August 2006. This sequence of meetings is contrary to established agreed procedures between DoP (Mining and Extractive Industries Group) and DPI, where a CPDP is required before a Planning Focus for a major new mining project proposal.

Input to Director-General's requirements for the preparation of the project EA was provided by DPI to the Department of Planning on 5 December 2006. It

should be noted that part of DPI's comments stipulated... *"consideration of the grant of a petroleum production lease for stage one gas field development will be dependent on Metgasco demonstrating, to the satisfaction of DPI, sufficient coal seam methane gas resource and flow rate data to sustain supply to the proposed power plant."*

An independently certified gas resource and reserve statement had been obtained by the proponent and supplied to the DPI-MR Petroleum Geoscience section on 10 August 2006. However, this statement applied to the entire area of the Petroleum Exploration Licence (PEL16) and did not demonstrate an economically viable gas reserve in the project area.

Up to the present time the proponent has not demonstrated to the satisfaction of DPI-MR that a viable, recoverable gas resource exists in sufficient quantities to support the granting of a PPL, despite a number of meetings between DPI and the proponent over the two year intervening period which reiterated this requirement.

The proposed Richmond Valley Power Station (RVPS) project involves a 30 MW gas-fired power station requiring approximately 2.3 petajoules (PJ) per year of coal seam methane (CSM). Produced water ponds will be part of the power station project. The gas is proposed to be produced from a field comprising 40 surface production well sites and gas gathering lines referred to as the Casino Gas Project, which is expected to have a nominal life of fifteen years. The proponent has stated that a minimum reserve of 52 PJ (49 billion cubic feet) of gas would be required to underpin the proposed power plant.

Additional Comments on Current EA

The following comments relating to environmental, agricultural and fisheries issues outline further inadequacies identified in the current EA:

- Evaporation storage dams are to be excised from any subsequently proposed Petroleum Production Lease Application. This will ensure that any planning approval can effectively manage water interactions between the RVPS and evaporation dam facilities including the management of dehumidification water and runoff water.
- DPI - MR considers management of evaporation storage dams and the implications of a high-rainfall environment prone to flooding to be a key planning issue. The EA indicates that ponds will be built in stages as production water volumes are confirmed. This is a highly speculative approach to water management. Further detailed water balance and modelling information should be provided to ensure dams are of sufficient capacity to manage expected production water volumes. Flooding implications on the evaporation dams also needs to be addressed.
- The Rehabilitation section needs to identify final land use, rehabilitation objectives and conceptual completion criteria. It is critical that a final proposed land use is stated for both the Casino Gas Project and RVPS areas. Furthermore, the EA should set clear Rehabilitation Objectives for the

project and identify conceptual Rehabilitation Completion Criteria that can be used as an effective measure for rehabilitation success.

- Consultation requirements from DoP Director-General's Requirements indicated: *"You must undertake an appropriate and justified level of consultation with the following parties during the preparation of the EA (NSW Department of Primary Industries)."* It is considered that the proponent has not undertaken an appropriate level of consultation with DPI in the preparation of this EA.

Agriculture Issues

- From an agricultural land perspective the EA is considered to be satisfactory. It is desirable that the precise number of planned production wells and conventional gas wells be clarified in order for any project approval to have clear limits.
- The proposed power station and gas project would appear generally compatible with local agricultural production, though some agricultural land will be alienated by the related infrastructure. Locating wells near fence lines and tree lines will assist to reduce the impact of the wells on routine farming operations.
- Consolidating the location of the power station and evaporation basins will assist to reduce the footprint of these land uses.
- The undertaking of property access, capping and rehabilitation in consultation with landholders should assist to address individual property level concerns and issues.
- The pipelines should be buried at a depth (recommended 750mm minimum) and clearly marked in a manner that is to the satisfaction of landholders so as to not pose a risk to persons or farm management operations.
- Grasses used in rehabilitation should be locally occurring species and species recommended and preferred by landholders. Common couch and Paspalum var. are useful selections. Narok or Solander Setaria are recommended over Nardi. Bank stabilisation could be assisted by Rye grass in winter or Millet in summer. The pipeline route and associated work sites should be checked for presence of Giant Parramatta Grass. The NSW DPI website (www.dpi.nsw.gov.au) contains references to a number of articles on the management of this pasture weed.
- Drilling mud should be contained rather than disposed of to pasture or buried on farm unless it can be shown to be beneficial to pastures/crops or will not leave any adverse soil residues. Any water obtained from the dewatering process that is deemed suitable for stock or agricultural use should be comprehensively tested for suitability and then only used for these uses if compliant with the relevant water quality criteria.

- Any mining, drilling or plant and equipment brought in from overseas for the project is to comply with all relevant AQIS biosecurity requirements and be free of soil and plant matter.

Fisheries issues

The location of indicative and future well sites may necessitate additional watercourse crossings, consequently access ways crossing watercourses that need to be constructed or modified as part of the proposal should be designed consistent with national fish friendly guidelines available at:

http://www.dpi.nsw.gov.au/__data/assets/pdf_file/0004/202693/Why-do-fish-need-to-cross-the-road_booklet.pdf

Pipelines between the water storages and indicative (and future) well sites that cross watercourses should be designed cognisant of 'fish friendly' principles and be either under the bed of the watercourse or bridged. For further information on fisheries issues please contact Fisheries Conservation Manager (North) Patrick Dwyer on (02) 6626 1397.

Conclusion

In conclusion, DPI cannot support the Casino Gas Project component of this Application until DPI-MR is supplied by the proponent with the required gas resource and reserve statement and other technical data necessary to warrant the future grant of a Petroleum Production Lease.

Should you have any queries on the contents of this letter, please contact Steve Cozens, Acting Senior Project Officer – telephone: 02 8289 3932 or email: steve.cozens@dpi.nsw.gov.au.

Yours sincerely,



G. Holmes
Director
Development Coordination

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From: "Marianne Gregory" <marianne.gregory@richmondvalley.nsw.gov.au>
To: <keiran.p.thomas@planning.nsw.gov.au>
Date: 23/09/2008 15:13
Subject: Re: Application No. 06_0217

Dear Sir

Please find attached this Council's submission for Application No. 06_0217. Original signed correspondence to be forwarded by post.

<<Metgasco Submission 23-9-2008.doc>>

Regards
Marianne

Marianne Gregory
Administration Officer - Development Assessment
Richmond Valley Council
Locked Bag 10, CASINO 2470
Ph: (02) 66600275
Email: marianne.gregory@richmondvalley.nsw.gov.au

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23 September 2008

Major Infrastructure Assessments
Department of Planning
GPO Box 39
SYDNEY NSW 2001

Dear Sir/Madam

**RICHMOND VALLEY POWER STATION AND CASINO GAS PROJECT
(Application: 06_0217)**

I refer to your letter dated 11 August 2008 (your reference S06/00305; 06_0217) regarding the Richmond Valley Power Station and Casino Gas Project. Richmond Valley Council provides your Department with the following comments which Council believes should be considered when assessing the subject proposal:

- Background noise level of 30dB(A) used to assess impact of plant is unlikely to be truly representative of actual night time background in that locality. Actual background levels should be considered to assess impact rather than the 30dB(A) outlined in the Industrial Noise Policy (EPA) as this locality is rural not industrial and the intent of the use of 30dB(A) is for industrial areas.
- The predicted noise level used to assess impact from the plant may not be representative of actual noise level produced under load when operational. Also account must be made of plant operating simultaneously and being representative of real life operation.
- Consideration should be given to surrounding properties which have dwelling entitlements but are currently vacant. These properties have not been considered in relation to future potential conflict or amenity issues such as noise which may arise with a future Development Application for a dwelling house. Owners of these affected properties have expressed their concern to Council with regards to potential future imposition of building requirements over and above regular standards or refusal of Development Applications due to the proximity of the proposed Power Station and Gas Project.
- An additional dwelling entitlement will be created by virtue of approving the proposed subdivision pursuant to the provisions of the *Richmond River Local Environmental Plan 1992 (as amended)*.

- Concurrence from the RTA is required as the proposed access road will require an intersection with a classified road (Main Road 145 – Casino-Coraki Road). The intersection will need to be designed and constructed in accordance with RTA standards and requirements.
- Pre and post road/bridge inspections on Council's affected road network will be required for heavy loads routes.
- Traffic Control Plans are required and shall be prepared by an RTA certified person.
- The proposed access road is within a Crown road reserve. The proponents will need to discuss the access details with the Crown and not Richmond Valley Council as stated in Plant Access and Car Parking Section 3.3.1 page 3-21.
- Richmond Valley Council will **not** accept the maintenance responsibility for the proposed access road. The proponent is to maintain the pavement on Crown road reserve. Richmond Valley Council **may** consider responsibility for road reserve if a full maintenance agreement for full ongoing maintenance costs is borne by the proponents.
- Additional details and clarification regarding the proposed impact of flood is required. Section 6.4.2 states the impact on the area around proposed mound is 1-3cm for Q100 and up to 15cm for Q500. How far is the impact?
- Details regarding the impact on flooding in the area due to increased surface level of newly constructed access road should be provided.
- Section 138 Roads Act approval for pipelines within/crossing a road reserve is required. The appropriate road authority may be Richmond Valley Council or the Crown.

Should you have any further enquiries regarding this matter, please contact Angela Jones, Manager Planning & Development, at Council's Casino Administration Centre, Cnr. Walker Street and Graham Place, ☎ (02) 6660 0273, between the hours of 8.30am and 4.30pm, Monday to Friday.

Yours faithfully

Brian Wilkinson
GENERAL MANAGER

Dinuka McKenzie
Senior Environmental Planning Officer
Major Infrastructure Assessments
Department of Planning
GPO Box 39
SYDNEY NSW 2001



17 SEP 2008

Dear Ms McKenzie

**RE: Richmond Valley Power Station and Casino Gas Project
(Application: 06_0217) – Exhibition of Environmental Assessment**

I refer to the Project Application, Environmental Assessment (EA), and accompanying information provided for the above proposal received by DECC on 20 August 2008.

DECC has reviewed the information provided and has determined that it is able to support the proposal subject to the Department of Planning seeking the amendments to the Statement ('Summary') of Commitments, identified in Attachment 1. Attachment 2 contains DEC's assessment of the proposal, including justification for the amendments.

It is expected that DECC will be given an opportunity to review the draft Director-General's Environmental Assessment Report for this proposal. If the amendments to the Statement ('Summary') of Commitments are not included to the satisfaction of DECC, we will be recommending that they are included as Conditions of Approval, if approval is recommended by the Department of Planning. It should be noted that these amendments are important for DECC's ongoing support of the proposal.

It is apparent from the EA that the project will not require an environment protection licence to operate initially as the generation capacity will be brought on-line progressively and will not exceed the 30MW licensing threshold for some time. However, as soon as the company becomes aware that its total power generation capacity will actually exceed 30MW it will need to make a separate application to DECC to obtain an environment protection licence at that time. If you have any questions, or wish to discuss this matter further please contact Chris Hatton on 6640 2508.

Yours sincerely

A handwritten signature in dark ink, appearing to read "Jon Keats".

JON KEATS

**Head Industry and Waste Unit North Coast
Environment Protection and Regulation**

Department of **Environment and Conservation** NSW

Attachment 1:

Proposed amendments to the Statement of Commitments contained in Section 8 of the Environmental Assessment

Please refer also to Attachment 2 – *General Comments and Recommendations* for further information relating to suggested changes to the Statement ('Summary') of Commitments outlined below.

Air

6.3.3 – Should be modified to:

"The proposal will be designed and operated to ensure that stack emissions of NO_x from the gas-fired generators will not exceed 450 mg/m³ and ground level concentrations of NO_x will not exceed 246 ug/m³ (over 1 hour) at the boundary of the premises.

Water

6.4.1 – Additional commitments recommended:

- (i) "All waste water generated by the project, including well water, will be collected and directed into the evaporation/storage ponds."
- (ii) "There will be zero discharge of waste water stored in the evaporation/storage ponds".
- (iii) "The quality of waste water extracted from the wells will be monitored regularly to evaluate and optimise reuse opportunities".

Noise and Vibration

6.5.2 - Should be modified to:

"...Noise impacts from all operational activities at the premises will not exceed an LAeq(15min) noise level of 35dB(A) measured at the nearest residence..."

6.5.2 – Additional commitments recommended:

- (i) Noise impacts from all construction activities at the premises, including the drilling of gas wells, will not exceed an LAeq (15min) noise level of 35dB(A) and an L_{Amax} noise level of 45dB(A) measured at the nearest residence.

(ii) "All construction activities will be limited to:

- Monday to Friday: 7am to 6pm;
- Saturday: 8am to 1pm if audible on residential premises, otherwise 7am to 1pm.
- No construction work will take place on Sundays or Public Holidays.

[24 hour well drilling will only occur Monday to Friday (excluding public holidays) and only subject to compliance with the noise limit commitment in (i) above]

Aboriginal Cultural Heritage

7.0 - Additional commitments recommended:

- (i) "If human remains are located during the project, all works will halt in the immediate area to prevent any further impacts to the find or finds. The local police, the Aboriginal community and DECC will be notified. If the remains are found to be of Aboriginal origin and the police consider the site not an investigation site for criminal activities, DECC will be contacted and notified of the situation and works are not to resume in the designated area until approval in writing is provided by DECC. In the event that a criminal investigation ensues works will not resume in the designated area until approval in writing from the Police and DECC."
- (ii) "If Aboriginal cultural objects are uncovered due to the development activities, all works will halt in the immediate area to prevent any further impacts to the find or finds. A suitably qualified archaeologist and Aboriginal community representatives will be contacted to determine the significance of the find(s). The site will be registered in the AHIMS (managed by DECC) and the management outcome for the site included in the information provided to the AHIMS. The Aboriginal community representatives will be consulted in developing and implementing management strategies for all sites, with all information required for informed consent being given to the representatives for this purpose."
- (iii) All reasonable efforts will be made to avoid impacts to Aboriginal Cultural Heritage values at all stages of the development works. If impacts are unavoidable, mitigation measures will be negotiated with the Aboriginal community and DECC.

- (iv) The applicant will continue to consult with and involve Aboriginal representatives for the project, in the ongoing management of the Aboriginal Cultural Heritage values.
- (v) An Aboriginal Cultural Education program will be developed for the induction of personnel and contractors involved in the construction activities on site. The program will be developed in collaboration with the Aboriginal community.

Waste management

3.2/3.3/7.5 - Should be modified to:

"No solid or liquid wastes will be disposed of on-site and all waste reuse, recycling and disposal will be managed by an external contractor in accordance with the document: '*Waste Classification Guidelines [DECC, April 2008]*'

3.2/3.3/7.5 – Additional commitment recommended:

"Used drill cutting fluids and other cutting fluid-contaminated wastes will be tested in accordance with the document '*Waste Classification Guidelines [DECC, April 2008]*' to determine environmentally appropriate reuse, recycling or disposal options (on-site and off-site) for these wastes."

Attachment 2:

General Comments and Recommendations

Air

The applicant appropriately commits in the body of the Environmental Assessment (EA, s.6.3.3) to meeting the NO_x stack emission limit of 450mg/m³ (and 246ug/m³ GLC NO_x limit) for the electricity generators at the power station.

However, the 'Statement ('Summary') of Commitments only incorporates the latter limit. It is important that compliance with the former limit is also explicitly included in the 'Statement ('Summary') of Commitments. The applicant recognises in the EA that at some stage during the project the electricity generating capacity of the Richmond Valley power station will exceed the licensing threshold of 30MW which triggers licensing under the Protection of the Environment Operations (POEO) Act. The POEO (Clean Air-Industrial and Commercial Activities and Plant) Regulation 2005 mandates compliance with the 450mg/m³ NO_x emission limit for licensed electricity generation works.

Water

The EA shows that the groundwater to be extracted and stored/evaporated in ponds is impacted by moderate salt levels and limited heavy metals. There is also an as yet undetermined impact on waste water quality from drilling cutting fluids. Water quality monitoring results to date are preliminary and variable. As such the EA has not confirmed that an overflow from the evaporation/storage ponds to the receiving environment would be environmentally sustainable.

It is appropriate therefore that the Director-General's requirement that the project should meet a zero waste water discharge goal be reflected in the Statement ('Summary') of Commitments. It is also appropriate that further on-going monitoring of extracted water quality be explicitly and transparently committed to by the applicant in the Statement ('Summary') of Commitments.

Noise and Vibration

The EA commits to meeting a construction noise limit derived from the DECC *Environmental Noise Control Manual* of 50dB(A) [ie. 20dB(A) above background noise level in relation to construction works of less than 4 weeks duration]. The applicant bases this on drilling of a well being completed in approximately 15 days. However, it is noted from the EA that a total of 55 wells are to be drilled [the EA does not state how many drill rigs will be employed on site at any one time]. In addition, we note that the EA proposes that drilling will occur 24 hours a day, the location of the wells relative to

residences is as yet undetermined and the nature of the drilling activity may generate impulsive noise impacts.

Given the above and our assumption that total construction time will exceed 26 weeks (in the absence of any contrary information in the EA) the DECC is concerned that residents may suffer significant construction noise impacts over a considerable period of time, including possible sleep deprivation. The commitment in the EA to meet a construction noise limit of 50dB(A) is therefore inappropriate. The applicant should commit to construction noise not exceeding background noise levels by more than 5dB(A), ie. a construction noise limit of 35dB(A) based on the construction circumstances described in the EA.

The cumulative noise assessment taking into account all noise sources for the operational phase of the proposed development has not been completed. The noise assessment has to date been limited to impacts of the power station alone as the location of gas extraction wells is as yet undetermined. Until a complete operational noise impact assessment is undertaken (including well pump noise) it is unclear what long term noise impacts are likely on residents from the operational phase of the development.
