

## DEPARTMENT OF PLANNING

*Development Assessment*

---

### **NARRABRI GAS UTILISATION PROJECT (WILGA PARK POWER STATION)**

#### **1. PURPOSE**

To determine a modification request for the Narrabri Gas Utilisation Project (Wilga Park Power Station).

#### **2. BACKGROUND**

- Eastern Star Gas Limited (the Proponent) operates the coal-seam methane-fired Wilga Park Power Station south-west of Narrabri, in the Narrabri local government area.
- On 2 December 2008, the Major Project (MP07\_0023) was approved to expand the power station and utilise the coal-seam methane gas generated from the existing testing wells at the company's Bibblewindi and Bohena Gas Pilot Projects located approximately 30 km south of the power station.
- The Major Project approval consisted of the:
  - construction and operation of gas gathering systems at the Bibblewindi and Bohena Coal Seam Gas Pilots;
  - construction and operation of two gas compression facilities at the Bibblewindi and Bohena Coal Seam Gas Pilots;
  - construction of an approximately 32 kilometre buried gas flow line between the Bibblewindi and Bohena Pilot and the Wilga Park Power Station; and
  - the staged expansion and operation of the Wilga Park (base load) gas-fired power station from a capacity of 12 megawatts to 40 megawatts, fuelled by coal seam gas extracted from the Bibblewindi and Bohena Coal Seam Gas Pilots.
- Condition 2.34 of the Major Project approval stipulated that *"Within 12 months of the date of the approval, the Proponent shall in consultation with the Namoi Catchment Management Authority and DECC finalise (and following approval implement) a compensatory habitat package to offset the value of habitat lost as a result of the project consistent with maintain or improve outcomes, to the satisfaction of the Director-General"*.

#### **3. PROPOSED MODIFICATION**

On 22 November 2010, the Proponent submitted a request for a modification under 75W of the *Environmental Planning and Assessment Act, 1979* (EP&A Act).

The modification request seeks to extend the date of submittal of the "compensatory habitat package" as stipulated within condition 2.34 of MP07\_0023 from "Within 12 months of the date of approval" to "By August 2011".

#### **4. CONSULTATION**

In accordance with section 75X of the EP&A Act and clause 8G of the EP&A Regulation, the modification request was made available on the Department's website. Due to the minor nature of the proposed modification, the modification request was not exhibited by any other means. No public submissions were received on the modification request.

Consultation was undertaken with DECCW, who did not raise any objections to the extension of the timeframe, however indicated that frequent status updates should be provided, and that no more extensions to the timeframe would be justified.

## 5. DELEGATED AUTHORITY

On 25 January 2010, the Minister delegated his powers and functions under section 75W of the EP&A Act to Directors in the Major Projects Assessment Division in cases where there are less than 10 public submissions (not including submissions from public authorities) in the nature of objections in respect of the modification request. As no public submissions were received, the Director may determine the modification request under delegated authority.

## 6. KEY ISSUES

- The Proponent has indicated that the process of identifying suitable offsets to satisfy condition 2.34, has been difficult, and therefore this has not been achievable within the stipulated timeframe.
- The Proponent has also detailed preliminary progress and/or discussions that have occurred with DECCW and Namoi CMA regarding biobanking schemes and/or an alternative to a biobanking scheme, however the execution of any such scheme has been far from straightforward, and therefore no resolution has been achieved.
- In this respect the Department indicated to the Proponent on 19 November 2010, that the condition merely required consultation with DECCW and the Namoi CMA in achieving the offset, rather than prescribing the method for achieving an offset using bio-banking.
- In seeking a modification to the finalisation of the habitat package, the Proponent has therefore identified a strategy by which an appropriate habitat package can be achieved for the project, comprising a management agreement, funding arrangement and expected delivery timeframes:

	<b>Task</b>	<b>Delivery Timeframe</b>
1	Field surveying of both the impact and offset site	1 <sup>st</sup> and 2 <sup>nd</sup> week of February 2011
2	Reporting and compilation of data into the NSW DECCW Biobanking calculator	4 <sup>th</sup> week of February 2011
3	DECCW verification process	March 2011
4	Drafting of management agreement with LPMA	3 <sup>rd</sup> and 4 <sup>th</sup> week of March 2011
5	Drafting of funding arrangement with NWLHPA	1 <sup>st</sup> and 2 <sup>nd</sup> week of April 2011
6	Finalisation of management agreement and funding arrangement	4 <sup>th</sup> Week of April 2011
7	Execution of management agreement and funding arrangement	May 2011

- A desktop assessment has also been submitted with the modification request, identifying a number of suitable offset sites for consideration and the methodology used.
- To account for any potential delays, the Proponent commits to providing evidence of an agreement regarding the habitat package by August 2011, and therefore requests the condition to reflect this amended timeframe.

- The Department is satisfied the Proponent has undertaken consultation in an attempt to satisfy condition 2.34, however given the different interpretation of the condition, which has now been resolved, and complexity in achieving the most appropriate mechanism for the offset, an extension to the submission of the compensatory habitat package is warranted.
- The Department also recommends status updates to be provided to demonstrate that the August 2011 deadline will be achieved.

## **7. RECOMMENDATION**

It is RECOMMENDED that the Director:

- note the information provided in this briefing;
- approve the modification request, subject to conditions; and
- sign the attached modifying instrument (Tag A).

Prepared by:

Approved by:

Toby Philp  
**Senior Planner**  
**Infrastructure Assessments**

Daniel Keary  
**Director**  
**Infrastructure Assessments**