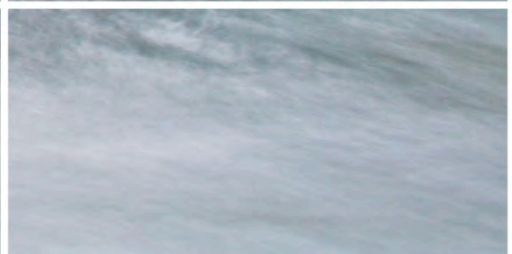


# PREFERRED PROJECT AND RESPONSE TO SUBMISSIONS REPORT

**Newcastle Gas Storage Facility Project**  
Major Project Application Number 10-0133

September 2011





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CR 6023\_10\_v3



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Preferred Project and Response to Submissions Report  
Newcastle Gas Storage Facility Project

## EXECUTIVE SUMMARY

The Newcastle Gas Storage Facility (NGSF) is critical infrastructure for the energy sector in NSW. It will supply gas to the NSW distribution network and reduce the reliance upon imported gas for the state. The NGSF Project (the Project) consists of a gas plant and storage tank, a gas pipeline, a receiving station at Hexham and associated and ancillary infrastructure.

This Preferred Project and Response to Submissions Report (the Report) outlines AGL's response to the submissions made during the public exhibition of the environmental assessment (EA) and sets out AGL's revised statement of commitments. This Report also sets out the preferred project components and elements of the design of the proposed Project that have been modified since the exhibition of the EA so as to minimise environmental impacts.

The key issues raised during the public exhibition of the EA are coal seam gas exploration groundwater management, ecological impacts, biodiversity offsets, air emissions, noise emissions and hazard and risk.

The EA assessed a number of potential route options for the gas pipeline corridor. Pipeline corridor option 2 has now been selected as the final proposed route option as this option avoids the SEPP 14 Coastal Wetlands. It is also proposed that the pipeline will be constructed by horizontal directional drilling as a construction method to further reduce environmental impacts.

The following minor modifications are proposed to the Project to minimise its environmental impacts:

- Reconfiguration of the gas plant site footprint to protect a minimum of 52 Earp's gums (subject to survey).
- Revised stormwater management including a stormwater discharge pipe and a holding pond with three management zones. As a result of this change the constructed wetland and infiltration ponds originally proposed have been deleted.
- Changes to the main power electrical connection.
- A reduction of the flare stack height from 45 m to 15 m.
- Modifications to the Access Road and Utility Corridor.
- Introduction of a gate and power supply on the Access Road.
- Changes to the access and gas pipeline entry point at the Hexham receiving station.
- This report also provides detail on changes to the mitigation measures proposed to protect groundwater, surface water, manage stormwater and manage wastewater management. The approach to flora and fauna management is also detailed within this report, including the proposed reduced clearing of koala habitat, Earp's gum and the protection of the SEPP 14 Coastal Wetlands.

The selection of pipeline corridor option 2, the minor modifications proposed to the Project and the revised mitigation measures and statement of commitments are proposed in response to the issues raised by government agencies communities and individuals during the public exhibition of the EA including in formal submissions.

The Project is a transnational project which will continue to be subject to Part 3A of the *Environmental Planning and Assessment Act 1979*, notwithstanding the proposed repeal of Part 3A. The next step will be for the application for project approval for the Project to be determined under Part 3A.

# 1. INTRODUCTION

This Preferred Project and Response to Submissions Report (the Report) has been prepared following the public exhibition of the Environmental Assessment (EA) for the Newcastle LNG Gas Storage Facility Project ('the Project') (major project application number: 10-0133).

This Report documents:

- The issues raised in submissions made during the public exhibition of the EA.
- AGL's response to the submissions.
- The changes proposed to the Project to minimise its environmental and social impact.

## 1.1 The Project

The proponent is seeking project approval for the Project under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

The Project is critical energy infrastructure which will supply gas directly into the distribution network and reduce the state's dependence on imported gas, therefore providing a secure, continuous gas supply that will minimise incidents of gas supply interruption.

The Project includes the following components:

- The gas plant site, including sub-division.
- An access road and utility corridor.
- The gas pipeline access corridor.
- The pipeline corridor including temporary construction areas.
- The Hexham receiving station.
- Gas pipeline connection to the existing Jemena Gate Station at Hexham.
- Associated and ancillary infrastructure.

## 1.2 The Assessment Process

A record of opinion was issued on 9 August 2010 by the Director Infrastructure Projects, as delegate for the then Minister for Planning confirming that the Project is subject to Part 3A of the EP&A Act.

A preliminary environmental assessment (PEA) was submitted to the Department of Planning and Industry (DP&I), (formerly the Department of Planning) in accordance with the Part 3A process. The DP&I subsequently issued the environmental assessment requirements (EARs) for the EA on 13 October 2010.

On 28 October 2010, the Minister for Planning declared the Project to be a 'critical infrastructure project' under section 75C of the EP&A Act.

Supplementary EARs for the Project were issued on 17 January 2011.

An EA was prepared in accordance with the provisions of Part 3A of the EP&A Act, the *Environmental Planning and Assessment Regulation 2000* and the EARs.

The EA was publicly exhibited from 24 June 2011 to 29 July 2011. During this period, submissions were invited from anyone with an interest in the Project, including members of the community and government stakeholders. A total of 29 submissions were received during this period.

On 10 August 2011 the Director-General:

- Required AGL to respond to the issues raised in the submissions by preparing a submissions report.
- Notified AGL that if any changes to the project were proposed to minimise its environmental impact, a preferred project report would be required.

This report:

- Addresses the issues raised in the submissions.
- Confirms the final proposed gas pipeline corridor route from the options presented in the EA.
- Proposes some minor changes to the Project to minimise its environmental impact and address issues raised in the submissions.
- Provides a revised statement of commitments for the Project.

Legislation to repeal Part 3A of the EP&A Act has been passed but has not yet commenced. The Project will be a transitional project under the transitional provisions which will commence once Part 3A is repealed. Accordingly, the Project will continue to be assessed and determined under Part 3A of the EP&A Act even after Part 3A it is repealed.

The next step will be for AGL's application for approval of the Project to be determined under Part 3A of the EP&A Act.

## 1.3 Report Structure

This Report is structured as follows:

- **Section 2** presents the revised Project description in terms of Project construction and Project operation.
- **Section 3** provides an overview of stakeholder consultation, prior to, during and post public exhibition of the EA and discusses the development of a proposed stakeholder development plan.
- **Section 4** presents the total number of submissions received, the key types of issues raised and frequently raised issues. This chapter also provides AGL's response to the issues raised in each of the submissions.
- **Section 5** provides a description and justification of the proposed design changes to the Project since exhibition of the EA.
- **Section 6** provides a summary of the assessments undertaken in relation to the proposed changes to the Project and provides information pertaining to the different operational management activities associated with the proposed changes to the proposal.
- **Section 7** provides an updated statement of commitments for the Project. This section includes a number of further commitments which have been made to address the issues raised in submissions and further reduce the impacts of the Project. It also specifies those of the commitments which were previously included in the EA but have been superseded and are therefore no longer proposed to be a part of the Project.

- **Section 8** provides the conclusions of the Report.
- **Section 9** presents the glossary of the Report.
- **Section 10** provides the references of the Report.

Preferred Project and Response to Submissions Report  
Newcastle Gas Storage Facility Project