Centennial Coal
Springvale

Castlereagh Highway
Lidsdale NSW 2790
PO Box 198
Wallerawang NSW 2845
Australia

T: 61 2 6355 9814
F: 61 2 6355 1052
E: info@centennialcoal.com.au
W: www.centennialcoal.com.au

31 October 2017

Mr Clay Preshaw
Director
Resource and Energy Assessments
NSW Department of Planning and Environment
320 Pitt Street
Sydney NSW 2000

Dear Mr Preshaw

Western Coal Services Project SSD 5579 – Modification 2
Response to Submissions

I refer to your letter of 13 October 2017 requesting a response to submissions report addressing matters raised on the *Statement of Environmental Effects* during the exhibition period.

Responses to matters raised on the modification application by the Environmental Protection Authority, the Department of Primary Industries and a member of the public are included in Attachment 1 enclosed with this letter.

Submissions from the Office of Heritage and Environment, WaterNSW, Division of Resources and Geoscience, and Lithgow City Council were in the form of comments and did not warrant responses.

Please contact me (nagindar.singh@centennialcoal.com.au or 6355 9814) if you require further information.

Yours sincerely

Nagindar Singh
Approvals Coordinator

Encl. Attachment 1 – Response to Submissions: Western Coal Services Project Modification 2

Centennial Springvale Pty Limited ABN 64 052 096 812
Springvale Coal Pty Limited ACN 052 096 769

Attachment 1 – Response to Submissions
Western Coal Services Project SSD 5579 – Modification 2

1. Government Agency Submissions

1.1 Environment Protection Authority (EPA)

Issue

The EPA will need to address noise from all activities under Environment Protection Licence (EPL) 3607, and in varying the licence the EPA may include a Pollution Reduction Program to formally document all commitments made by Springvale Coal in relation to noise reduction goals for the Springvale Coal Services Site and the overland conveyor. Once noise reduction works under the PRP are completed it would be EPA's further intention to add as limits on EPL 3607 the reduced noise levels achieved.

Response

Springvale Coal is receptive to EPA's proposal to impose a Pollution Reduction Program (PRP) for the regulation of noise from the Springvale Coal Services Site (SCSS) and the identified reasonable and feasible OL1/OL2 sections of the overland conveyor system in Lidsdale. A letter was provided to the EPA on 18 October 2017 with an indicative strategy for a PRP for discussions at a meeting held with them on 25 October 2017. At that meeting it was agreed that Springvale Coal will continue to work with the EPA on the development of the PRP for regulation of noise from both the overland conveyor and the SCSS.

1.2 Department of Primary Industries (DPI)

Issue

DPI requests further detailed information on the following:

- the distance of the proposed coal stockpile location and the dirty water diversion works from Lamberts Gully
- any potential impacts and proposed mitigation to the watercourse and riparian area surrounding Lamberts Gully
- clarification on whether Stage 1 dirty water diversion works will be completed prior to the establishment of the proposed product coal stockpile. If not, details should be provided on the mitigation measures proposed to prevent sediment run-off from the stockpile, potentially impacting Lamberts Gully and the downstream environment of Wangcol Creek.

Response

The product stockpile is an existing infrastructure at the SCSS and was previously assessed as part of the 750,000 tonne ROM coal stockpile in the air quality impact assessment in the *Western Coal Services Project Environmental Impact Statement* (WCS EIS) (RPS, 2013)[1]. The establishment of the product stockpile was included in the proposed modification to regularise it, as noted in Section 4.2.5 of the *Statement of Environmental Effects* (SEE) for Modification 2.

Dirty water storages for sediment control already exists at the SCSS (refer Section 3.3.9 of the SEE) and shown in Figure 10 in that document. Since early 2017 diversion works have been undertaken to separate the clean and dirty water run-offs within Lamberts Gully, as described in Section 3.3.9 of the SEE. Figure 12 in the SEE shows the dirty water diversion drain that borders around the product stockpile, approximately 13 metres from the stockpile boundary. The diversion drain diverts the product stockpile run-off to the Stockpile Sediment Dam, then to the SLG 6 Pond, and finally to Cooks Dam for either re-use as process water in the coal preparation plant at the SCSS or discharge to Wangcol Creek via LDP006.

[1] RPS (2013), *Western Coal Services Project Environmental Impact Statement*, RPS Australasia East Pty Ltd, July 2013.

The Stage 1 diversion works are expected to be completed by the end of 2017. The Stage 2 clean and dirty water separation within Lamberts Gully (refer Section 3.3.9 of SEE), and other Pollution Reduction Works required to meet Schedule 3 Condition 46 of SSD 5579 (included following Modification 1), will be completed by mid-2019 and prior to receiving residuals materials from the operation of the Springvale Water Treatment Project (SSD 7592).

The *Western Coal Services Water Management Plan*[2] (GHD, 2017a) has been updated to include the Stage 1 and Stage 2 clean and dirty water separation works following the approval of Modification 1 and as required by Schedule 5 Condition 5 of SSD 5579.

Riparian rehabilitation within Lamberts Gully will be undertaken as part of the riparian habitat and catchment improvement works required under Schedule 3 Condition 27 of SSD 5579. While this consent condition requires the inclusion of measures to improve and maintain the riparian habitat in Wangcol Creek only, Springvale Coal has extended the improvement works to Lamberts Gully within the SCSS, upstream of Lamberts Gully and Wangcol Creek confluence.

The riparian habitat works noted above aim to establish an industry standard approach to riparian area management associated with the water quality improvement works involving the separation of clean and dirty water channels along Lamberts Gully. The riparian habitat improvement works for both Wangcol Creek and Lamberts Gully are described in the *Western Coal Services Riparian Habitat and Catchment Improvement Plan*[3] (GHD, 2017b)

2. Community Submission

2.1 Submitter ID 225828

Issue – Noise

Key points on noise:

- Noise exceedances do not adequately represent noise exceedances on any given day.
- The averaging out of a week, month or a year of noise emissions for reporting purposes is absurd, as it does not relate to real time or real living.
- Effects of wind direction and temperature inversion on noise emissions are not acceptable.
- Cumulative noise impact assessment for Neubeck Project and Pine Dale Open cut mine proposal with the WCS operations has not been undertaken.

Response

Attended noise monitoring undertaken for the WCS operations to assess compliance with the consent noise criteria at sensitive receptors is undertaken in accordance with the approved WCS Noise Management Plan. The monitoring protocols included in this management plan are robust and consistent with the *NSW Industrial Noise Policy* and AS 1055.1-1997: *Acoustics – Description and Measurement of Environmental Noise – General Procedures.* Monitoring is undertaken on a monthly basis covering all three periods (day, evening, night) and is conducted, where possible, under suitable weather conditions for meaningful data.

WCS operations also have facilities for continuous real time noise monitoring comprising both a fixed Noise Compass and portable units (Ngara), and a meteorological station for wind speed and direction, temperature and rainfall. The real time noise monitoring has been utilised progressively more in recent times. In the future real time noise monitoring will be used regularly for managing operations and gauging the effectiveness of the engineered noise controls already installed and those controls to be installed in the future to achieve compliance and concurrently reduce the noise environment to levels lower than the historical noise levels in the region.

[2] GHD (2017a), *Western Coal Services Water Management Plan*, GHD Pty Ltd, September 2017.
[3] GHD (2017b), *Western Coal Services Riparian Habitat and Catchment Improvement Plan*, GHD Pty Ltd, October 2017.

The cumulative noise impact assessment undertaken for the modification did not take into consideration the noise emissions from the future Neubeck Coal Project and the Stage 2 Pine Dale Extension Project because the noise assessments for these developments are not available. The cumulative noise impact assessment assessed the Mount Piper Power Station operations for the day, evening and night periods. When the Neubeck Coal Project is recommenced a cumulative impact assessment incorporating proposed and current surrounding operations including the WCS operations will be undertaken as part of that project's cumulative noise impact assessment. The Stage 2 Pine Dale Extension Project noise emissions will be included in the assessment if the noise impact assessment for that project is available at the time.

Issue – Coal Transport

Key points on coal transport:

- Objection raised on approval of coal transport on Castlereagh Highway and private coal haul road.
- Restrictions on operation of private haul roads should not only apply to Lidsdale; coal transport on Castlereagh Highway should be restricted between 7 pm and 7 am.
- The modification should not be approved unless the private overhead haul road to Western Coal Services is approved first.
- All coal transport should be via conveyors as infrastructure is already in place. Centennial should increase their conveyor capacity to accommodate higher production.

Response

The Western Coal Services Project (the Project) (SSD 5579) is not approved to haul coal or reject materials on Castlereagh Highway (or other public roads) during day, evening or night periods. The Project is approved to transport coal from Angus Place Colliery on private haul roads to Wallerawang Power Station (now being decommissioned) via Wallerawang Haul Road and Mount Piper Power Station via the Mount Piper Haul Road. It is noted no road haulage on these haul roads has occurred since March 2015 when Angus Place Colliery was placed under care and maintenance.

The Private Link Haul Road with an overbridge on Castlereagh Highway, linking the Mount Piper Haul Road and the SCSS, is approved however its construction is not included in Springvale Coal's current five year business plan.

Coal from Springvale Mine will continue to be transported to the Mount Piper Power Station or the SCSS on the existing overland conveyor.

No changes to the existing consent conditions for coal haulage have been proposed in Modification 2.

It is noted that Springvale Mine (SSD 5594) has approval to transport up to 50,000 tonnes of ROM coal from the site to local domestic customers in any calendar year (Schedule 2 Condition 8).

Issue – Coal Stockpiles

Key points on coal stockpiles:

- Objection raised on the extra 80,000 tonne of coal stockpile in addition to the approved maximum capacity of 650,000 tonne at Springvale Coal Services Site, the >15,000 million tonne of fly ash repository and coal stockpile at Mount Piper Power Station.
- The air quality impact assessment notes WCS operations are complying.
- The coal stockpiles are high fire risk.

Response

Section 4.2.5 of the Modification 2 SEE notes the 80,000 tonne product coal stockpile is in addition to the already approved 750,000 ROM coal stockpiles at the Springvale Coal Services Site, affording a total 830,000 tonne coal stockpiling capacity at the site following approval of Modification 1. The air

quality impact assessment[4] (SLR, 2017) assessed the impact of the 80,000 tonne product coal stockpile as well as the 750,000 tonne ROM coal stockpiles.

The air quality assessment showed the incremental increases in dust deposition rate, the total suspended solids concentration, the PM_{10} and $PM_{2.5}$ concentrations due to the 80,000 tonne stockpile plus the increase in transfer of ROM coal on the overland conveyor system by 1 Mtpa proposed in Modification 2 are all negligible, and not likely to significantly increase the existing background levels. The assessment concluded the Project will comply with the relevant air quality criteria at all assessed sensitive receptors for the WCS operations and with regard to potential cumulative impacts with the surrounding operations (refer Section 7.3 of the SEE). Mount Piper Power Station operations were included in the cumulative impact assessment.

Air quality monitoring and reporting in the Project are undertaken in accordance with the approved WCS Air Quality and Greenhouse Gas Management Plan, and utilises data from six dust deposition gauges and a Tapered Element Oscillating Microbalance (TEOM), all located in Blackmans Flat either in proximity of the SCSS operations or within the SCSS. The TEOM monitoring commenced in December 2015 and monitors continuous PM_{10} concentration in the region.

The coal stockpiles at the SCSS do not pose a high fire risk. Coal handled and stockpiled at the site is from the Lithgow seam mined at Springvale Mine (and in the future from Angus Place Colliery, which also mines the Lithgow Seam). The Lithgow seam coal has a low propensity for spontaneous combustion. Incidences of spontaneous combustion in the Lithgow area are rare, and no instance has been recorded at the SCSS. Similarly, geochemical testing data of the fine and coarse reject materials generated at the site and emplaced in the reject emplacement area has confirmed these materials have an extremely low propensity to spontaneously combust. Regardless, the SCSS operations have in place a number of management controls to avoid or minimise the potential risk of spontaneous combustion on coal stockpiles as follows.

- The heights of the ROM and product coal stockpiles are kept as low as practical.
- Product coal is transferred to Lidsdale Siding Project (PA 08_0223) for dispatch by rail as soon as practical.
- Daily inspections of the stockpile areas are undertaken to ensure no instances of spontaneous combustion have occurred.

The SCSS operates in accordance with a *Bushfire Management System* that has been established to meet Centennial Coal Management Standard 009 requirements for asset protection and environmental compliance.

Issue – Land Use Conflict

Western Coal Services should move its operations to a more suitable location. There have been at least two sub-divisions close to Western Coal Services, with the likelihood of more sub-divisions.

Response

The *Lithgow Land Use Strategy: 2010 – 2030*[5] *(*LLUS) highlights the emergence of land use conflict throughout the Lithgow Local Government Area (LGA) and in particular areas such as Blackmans Flat. The underlying cause of this issue is due to the now repealed *Lithgow Local Environment Plan 1994* (Lithgow LEP 1994) adopting a flexible planning approach to land use zoning which permitted (with consent) light industrial development in a number of zones and all forms of industry including open cut mining within the 1(a) Rural (General) zone. The intent was to provide broad and flexible planning arrangements in an attempt to encourage employment generating development and increase prosperity for the LGA. Detrimental impacts have arisen because of this approach. Rather than resulting in the expansion of significant employment generating development, this 'flexible'

[4] SLR (2017), *Western Coal Services Project: Air Quality Impact Assessment*, SLR Consulting Australia Pty Ltd, August 2017.
[5] Lithgow City Council (2011), *Lithgow Land Use Strategy: 2010 – 2030*, Lithgow City Council and Department of Planning, Adopted 31 October 2011.

approach has resulted in significant land use conflicts. Figure 6 in Centennial Coal (2017)[6] demonstrates the extent and location of these light industrial activities.

The conflict between rural lifestyle development and the power generation and mining industries can be addressed, in part, via the strategic planning process. Given the potential for continued land use conflict is high the LLUS recommended that no further residential land use beyond what is existing, or is subject of a current development approval should be encouraged in areas such as Blackmans Flat.

Open cut coal mining and coal processing operations has been conducted at the SCSS in Blackmans Flat since 1940, prior to the more recent residential sub-divisions and re-zoning under the *Lithgow Local Environmental Plan 2014* (Lithgow LEP 2014) in the area. Coal mining at the site was last undertaken in 2010 (Lamberts Gully Open Cut Mine) and since that time the site has only been used for coal handling, stockpiling and processing (beneficiation). The current State Significant Development consent SSD 5579 covering the site was granted in 2014 based on the WCS EIS comprising multi-disciplinary technical assessments aimed at gaining a detailed understanding of the key environmental issues. These assessments were undertaken to a level of detail commensurate with the scale of the Project, industry standards and the legislative framework under which the Project has been approved.

Under the Lithgow LEP 2014 the WCS Project Application Area falls under the zones RU1 Primary Production, RU3 Forestry, SP2 Infrastructure, IN1 General Industrial. The permissibility of the Project under the Lithgow LEP 2014 and other relevant environmental planning instruments are discussed in detail in Chapter 7.0 of the Project's EIS and in Chapter 5.0 of the Modification 2 SEE.

Extensive community consultation was undertaken during the development of the WCS EIS and more recently for the proposed Modification 2. Furthermore, the community were provided with opportunities to comment on the WCS EIS and the SEEs for Modification 1 and Modification 2 during the respective exhibition periods. Shortly after the approval of the Project in 2014, Springvale Coal acquired a number of properties in the main residential area of Blackmans Flat. It is highlighted the proposal by Springvale Coal in the Modification 2 application to mitigate all acoustically significant noise at the SCSS and the feasible and reasonable sections of the overland conveyor system in Lidsdale will improve the overall amenity of the area and therefore minimise land use conflict in the future.

[6] Centennial Coal (2017), *Western Coal Services Project Modification 2: Social Impact Assessment*, August 2017.