

Notice of decision [SSI modification]

Section 2.22 and clause 20 of Schedule 1 of the *Environmental Planning and Assessment Act 1979*

Application type	State significant infrastructure modification
Application number and project name	SSI-9471-Mod-1 Port Kembla Gas Terminal
Applicant	AUSTRALIAN INDUSTRIAL ENERGY PTY LTD
Approving authority	Minister for Planning and Public Spaces

Decision

The Executive Director, Energy, Resources and Compliance, under delegation from the Minister for Planning and Public Spaces has, under s.5.25 of the *Environmental Planning and Assessment Act 1979* (**the Act**) approved the modification subject to the recommended conditions.

A copy of the instrument of modification is available at <https://www.planningportal.nsw.gov.au/major-projects/project/25811>

A copy of the Planning Secretary's Assessment Report is available at <https://www.planningportal.nsw.gov.au/major-projects/project/25811>

Date of decision

16 April 2020

Reasons for decision

The following matters were taken into consideration in making this decision:

- the Department's Assessment Report including the recommendations contained in the report;
- all the information submitted to the Department during the assessment of the modification application;
- the objects of the EP&A Act;
- the views of the community about the project (see Attachment 1).

The findings and recommendations set out in the Department's Assessment Report were accepted and adopted as the reasons for making this decision.

The key reasons for approving the modification are as follows:

- The modification would allow the development to operate more flexibly and better meet the demand for gas. This would also improve the overall viability of the project and make it more likely that the significant socio-economic benefits of the project are realised.
- The environmental impacts can be effectively managed subject to the implementation of strict conditions.
- The issues raised by the community during consultation and in submissions have been considered and adequately addressed in the Department's assessment report
- Weighing all relevant considerations, the modification is in the public interest;

Attachment 1 – Consideration of Community Views

The Department exhibited the modification request from 4 December 2019 until 18 December 2019 (15 days) and received 9 submissions, including four submissions from government agencies (including Wollongong City Council), two objections from members of the public, one objection from a special interest group, and two submissions in support from special interest groups.

The key issues raised by the community (including in submissions) and considered in the Planning Secretary's Assessment Report and by the decision maker include hazards and risks and impacts on water quality and marine biota. Other issues are addressed in detailed in the Planning Secretary's Assessment Report.

<i>Issue</i>	<i>Consideration</i>
<p><i>Hazards and risks:</i></p> <ul style="list-style-type: none"> • Cumulative risks from all hazardous industries in the area • Risks of explosions and terrorism • Effect of local weather conditions on the hazards and risks assumptions 	<p><i>Assessment:</i></p> <ul style="list-style-type: none"> • The overall risks would be higher than the approved project. However, the project would still comply with the risk criteria for sensitive and residential land uses. • The risk profile over the industrial land and Seawall Road would be very similar to the approved project. <p><i>Conditions:</i></p> <ul style="list-style-type: none"> • The existing conditions required AIE to undertake additional studies based on the final design of the project, to implement all feasible risk reduction measures to minimise the risk to surrounding land users, and to prepare a number of safety and emergency plans for the development, including: <ul style="list-style-type: none"> – a hazard and operability study; – a final hazard analysis; – a safety management study; – a fire safety study in consultation with Fire and Rescue NSW; – a construction safety plan; – a pipeline safety management study; – an emergency plan; and – a safety management system (which includes a security plan developed in consultation with the Counter Terrorism and Special Tactics Command of the NSW Police Force) <p>The final hazard analysis must be based on recent site specific and local meteorological conditions</p>
<p><i>Water Impacts:</i></p> <ul style="list-style-type: none"> • Impacts of discharges on the water quality of the harbour and marine biota • Entrainment of marine biota in the water intakes 	<p><i>Assessment:</i></p> <ul style="list-style-type: none"> • Chlorine concentrations would be reduced at the edge of the near-field mixing zone. • There would be an increase in cold water pollution. Water temperature would largely comply with relevant guidelines values, however, there would be an on the harbour floor up to 300 m by 500 m that would not comply area during some months of the year. • The increased intake volumes and velocities would likely cause some entrainment of marine biota. • The Department considers that impacts to marine biota would be limited due to the industrial nature of the harbour. <p><i>Conditions:</i></p> <ul style="list-style-type: none"> • The existing conditions require AIE to: <ul style="list-style-type: none"> – undertake a water quality verification and monitoring program to confirm chlorine and cold water impacts are consistent with the predictions, and propose contingency measures if impacts exceed the predictions; – design the water intakes to minimise the entrainment of marine biota. • The Department has included conditions requiring AIE to:

	<ul style="list-style-type: none"> – calibrate and validate the thermal plume model as part of the verification and monitoring process for validating impacts of cold water pollution; – establish trigger levels for investigating and responding to any potential or actual adverse impacts associated with discharges on water quality and the ecology of Port Kembla Harbour
<i>Greenhouse Gas and Climate Change</i>	<p><i>Assessment:</i></p> <ul style="list-style-type: none"> • The modification would increase greenhouse gas emissions from the project by 19%. • However, the project would provide up to 70% of NSW's gas demand, while only a very small proportion (0.01%) of the greenhouse gas emissions in Australia. • AIE has committed to a range of greenhouse gas mitigation measures, including implementation of a detailed energy monitoring program, a ship energy efficiency management plan, and maintaining an International energy Efficiency Certificate. <p><i>Conditions:</i></p> <p>The existing conditions required AIE to minimise the greenhouse gas emissions from the project and to implement a leak detection and repair program.</p>
<p><i>Economic</i></p> <ul style="list-style-type: none"> • Security of employment • Reliability and change to gas demand forecasts compared to original EIS 	<p><i>Assessment:</i></p> <ul style="list-style-type: none"> • While there would be variable production rate through the year, AIE advised that the modification would not change the number of estimated construction or operational jobs • AIE originally assumed an industrial client base only. The company has subsequently identified additional market potential from retail clients. • Demand from retail clients fluctuates significantly and this would not be met by the steady state proposal of the original EIS. • The modification allows flexibility in meeting changing market demand profiles and the facility is designed to account for this flexibility.
<i>Air Quality</i>	<p><i>Assessment:</i></p> <ul style="list-style-type: none"> • The modification increases air emissions from the project. However, ground-level pollutant concentrations are predicted to comply at all sensitive receivers. <p><i>Conditions:</i></p> <ul style="list-style-type: none"> • The existing conditions require AIE to prepare an air quality management plan including air quality monitoring to ensure air quality impacts are appropriately managed. • The Department has recommended a new condition requiring AIE to undertake an air quality verification program to ensure impacts are no greater than predicted.
<i>Noise and Visual Impacts</i>	<p><i>Assessment:</i></p> <ul style="list-style-type: none"> • The modification would increase the noise levels when the FSRU is operating at a higher production rate. However, noise at all sensitive receivers is predicted to still be well below the project noise trigger levels at all sensitive receivers during the day, evening and night. • There would be a very small increase in visual impacts due to the increase in the number of LNG carriers entering the port. <p><i>Conditions:</i></p> <p>The existing conditions require AIE to minimise the noise and lighting from the development.</p>