

Notice of Decision - Newcastle Power Station

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

Application type	Critical State Significant Infrastructure
Application number and project name	Newcastle Power Station Project (SSI 9837)
Applicant	AGL Energy Limited
Approving authority	Minister for Planning and Public Spaces

Decision

Under section 5.19 of the *Environmental Planning and Assessment Act 1979 (the Act)*, the Minister for Planning and Public Spaces (the Minister) has approved the critical State significant infrastructure (CSSI) application for the Newcastle Power Station, subject to conditions.

The key components of the project include:

- a gas-fired power station, comprising of open cycle gas turbines power plant or reciprocating engines with a total nominal output capacity of up to 250 MW, capable of operating on natural gas or diesel fuel as a backup;
- two gas supply pipelines and a gas storage pipeline, receiving station and compressor units;
- an electricity transmission line connecting into an existing substation;
- associated ancillary facilities; and
- decommissioning of the power station and rehabilitation of the site after an indicative 25-year operating life.

A copy of the Department of Planning, Industry and Environment (the Department)'s assessment report and Minister's instrument of approval is available [here](#).

Date of decision

15 March 2021

Reasons for decision

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

- the relevant matters required under the Act, including the objects of the Act;
- relevant Commonwealth and NSW legislation, policies and guidelines;
- all information submitted to the Department during the assessment of the application;
- the findings and recommendations in the Department's assessment report; and
- 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 application are as follows:

- The project would improve NSW energy security and reliability of the east coast electricity market by providing additional dispatchable energy during peak electricity demands, and greater competition in the NSW electricity market, given the upcoming retirement of ageing coal-fired power stations, including Liddell by 2022/23.
- The project is compatible with surrounding land uses, and is in close proximity to the Jemena Gas Network, the AGL natural gas storage facility, the TransGrid major transmission network and the Pacific Highway (M1).
- Additionally, the project would deliver economic benefits to NSW and the region through attracting \$439 million of capital investment, creating up to 300 construction jobs within the two year construction period and up to 23 operational jobs.
- AGL has designed the project to minimise impacts on the environment and surrounding land uses and adequately addressed the issues raised in submissions and government agency advice; particularly in regard to air quality and aviation impacts and the project's potential interactions with the M1 upgrade project.

- The Department has recommended a comprehensive and precautionary suite of conditions to ensure that the project complies with contemporary criteria and standards, and that residual impacts are effectively minimised, managed, offset and/or compensated for. The conditions were developed in consultation with government agencies and Port Stephens Council.
- The significant benefits of the project outweigh any residual impacts associated with the construction and operation of the project.
- Weighing all relevant considerations, the project is in the public interest.

Attachment 1 – Consideration of Community Views

The Department exhibited the application from 20 November to 18 December 2019 (28 days) and a total of 14 community submissions, including five submissions objecting to the application.

The key issues raised by the community and considered in the Department's assessment report relate to potential climate change impacts of the Project, alternative design or location options as well as the likely safety and risks associated with the Project and its biodiversity and other environmental impacts.

A summary of how the key issues raised by the community were taken into consideration is provided in the below table.

Issue	Consideration
<p><i>Power Station Technology</i></p> <ul style="list-style-type: none"> • preference for renewable energy technology including pumped hydro, solar or wind technologies combined with battery storage; • CO₂ emissions and fossil fuel use; and • air pollution from firing of gas or diesel fuels. 	<ul style="list-style-type: none"> • The NSW and national energy markets are in a period of transition from a market previously dominated by coal-fired power stations towards a renewable energy mix. • Gas-fired power stations are an important part of this transition as they provide firming capability to the National Electricity Market (NEM) together with the growing renewable energy power generators. • The project would result in lower emissions than coal-fired generation with worst-case greenhouse emission predictions accounting for about 0.3% of Australia's total yearly national inventory. <p><i>Conditions</i></p> <ul style="list-style-type: none"> • Annual emissions from the project as a result of fuel burning must not exceed 338 tonnes of NO_x (as NO₂ equivalent). • Verification of air quality impacts within six months of commissioning of the power station. • Monitoring of key air emissions from turbine stacks.
<p><i>Biodiversity</i></p> <ul style="list-style-type: none"> • indirect impacts to flora and fauna; and • preference for use of other contaminated areas without impacting on the environment. 	<ul style="list-style-type: none"> • The project would require the removal of 17.6 hectares (ha) of vegetation, with 13.17 ha being of low quality or managed vegetation. Although some clearing would be required, the project has been designed to utilise existing previously cleared corridors as much as practicable. • AGL have committed implementing mitigation measures to reduce direct and indirect impacts to biodiversity including reducing vegetation clearing, implementation of plans, and management of key risks to threatened species. <p><i>Conditions</i></p> <ul style="list-style-type: none"> • Offset the biodiversity impacts of native vegetation clearing in accordance with the Biodiversity Assessment Method under the <i>Biodiversity Conservation Act 2016</i>. • Prepare and implement mitigation measures and offset requirements in accordance with a Biodiversity Management Plan prior to construction and to the satisfaction of the Secretary.
<p><i>Safety and hazards</i></p> <ul style="list-style-type: none"> • proximity to bushfire prone land; 	<ul style="list-style-type: none"> • The project would be located in a predominately industrial area, in proximity to other gas related infrastructure on

Issue	Consideration
<ul style="list-style-type: none"> • safety of operation of hazardous materials; and • preferred location of power station to be on nearby contaminated land. 	<p>land that has been previously used for agricultural purposes or as easements for existing infrastructure.</p> <ul style="list-style-type: none"> • The project would be designed and constructed so that risk from bushfire attack to people or property can be appropriately managed. • AGL have completed an extensive hazard assessment in accordance with legislative requirements and would implement mitigations to manage risks to people and the environment. <p><i>Conditions</i></p> <ul style="list-style-type: none"> • Prepare and submit to the satisfaction of the Secretary a Fire Safety Study, a Hazard and Operability Study and a Final Hazard Analysis prior to constructions. • Prepare and implement an Emergency Plan and Safety Management System prior to commissioning. • Regular compliance and audit reporting. • Handle all chemicals, fuels and oils in accordance with Australian Standards and NSW EPA guidelines.
<p><i>Water</i></p> <ul style="list-style-type: none"> • water supply and amount of water required; and • water quality and stormwater management. 	<ul style="list-style-type: none"> • Operation of the project requires the use of raw water, demineralised water (through a demineralised water treatment plant), service water, firefighting water and potable water resulting in up to 800 ML of water for operation yearly. • HWC advised AGL that there would be adequate capacity within regional water sources to supply the power station when operating on a continuous (worst-case) basis. • AGL would also need to manage intercepted groundwater during construction of the gas storage pipeline. <p><i>Conditions</i></p> <ul style="list-style-type: none"> • Requirement a Water Access Licence prior to construction commencing. • Prior to commencing construction, prepare and implement erosion and sediment controls and minimise impacts to water quality by preparing and submitting a Water Management Plan to the satisfaction of the Secretary.
<p><i>Aviation</i></p> <ul style="list-style-type: none"> • plume rise impacts; and • consultation between AGL and aviation industry participants required 	<ul style="list-style-type: none"> • AGL consulted with Defence and CASA throughout the assessment process to minimise potential impacts to the Newcastle Airport, co-located with RAAF Base at Williamstown and aircraft operations. • Following confirmation of the aviation impact assessment method, both technology types were deemed acceptable for construction and operation, with Defence recommending that key aviation stakeholders be notified of the final generator design. <p><i>Conditions</i></p> <p>Prior to construction:</p> <ul style="list-style-type: none"> • Undertake a plume rise assessment, in consultation with key aviation stakeholders, of the selected generator design to demonstrate that the critical plume extent is

Issue	Consideration
	<p>consistent with that modelled in the EIS, and demonstrate that reasonable and feasible mitigation measures have been considered to further minimise the extent of the plume.</p> <ul style="list-style-type: none"> • Submit evidence of consultation to the Secretary that it has provided the final design drawings of the open cycle gas turbine power station (if chosen) to the relevant aviation industry and authorities to ensure adequate mitigation measures and air space safety would be in place; and • Notify Air Services Australia for the erection of permanent and temporary structures that intrude on the Obstacle Limitation Surface (OLS) of the RAAF Base Williamtown.